

TEST # 2

FORMS REQUIRED: FORM 355S, SCH A, SCH B, SCH C, SCH E-1, SCH E, SCH CD

CORPORATION NAME: PORCH SWINGS & LAWN CHAIRS, INC.

EIN: 40-5757575

ADDRESS: 166665 253RD WAY
BOSTON, MA 02105

PRINCIPAL PLACE OF BUSINESS:

510 RELAXING TRAIL
CHELSEA MA 02150

STATE OF INCORPORATION: MA

DATE ESTABLISHED IN MA: 07-02-1998

STATE FORM INFORMATION

FORM 355, PAGE 1:

LINE 1: YES
LINE 2: SECTION 38 MANUFACTURER
LINE 4: NO
LINE 5: NO
LINE 6: NO
LINE 7: NO
LINE 8: NO
LINE 11: 307
LINE 12: 4926
LINE 15: NO
LINE 16: NO

EXCISE CALCULATION:

LINE 3: 12210

FORM 355 PAGE 2:

LINE 7: 1426
LINE 9: 1000
LINE 10: 2000
LINE 11: 3000
LINE 12: 4000
LINE 13: 5000
LINE 14: 6000
LINE 15: 7000
LINE 16: 8000
LINE 17: 9000
LINE 22: 10000
LINE 24: 7942
LINE 25: 100000
LINE 26: 10000
LINE 31:
M-2220: 2797
LATE: 3820
LINE 32: 563

SCHEDULE A:

	A	B
LINE 1a:	2785000	925600
LINE 1b:	225000	
LINE 1c:	97876	58726
LINE 1d:	387584	221476
LINE 1e:	54229	27080
LINE 1f:	2198048	628014
LINE 1g:	84795	60568
LINE 1h:	26833	5367
LINE 1i:	985487	459894
LINE 1j:	550000	18333
LINE 1k:	863370	
LINE 2a:	71091	
LINE 2b:	14955	
LINE 3:	8630	
LINE 5a:	47151003	12846739
LINE 5b:	15850000	
LINE 6:	27299	2184

SCHEDULE A PAGE 2:

LINE 8:	3383796
LINE 9:	827569
LINE 12a:	128500
LINE 12b:	1525000
LINE 13:	425000
LINE 15:	27863
LINE 19a:	1871412
LINE 19b:	386277
LINE 20:	50000
LINE 22:	45557
LINE 29:	4995773
LINE 30:	1786767

SCHEDULE B:

LINE 11:	128500
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SCHEDULE E-1:

LINE 1:	22500
LINE 4:	7500

SCHEDULE E:

LINE 7:	17000
LINE 8:	83265
LINE 9:	160000
LINE 10:	55277
LINE 11:	27863
LINE 12:	32500
LINE 14:	238670 (COST)
LINE 16:	7000
LINE 17:	450
LINE 19:	185642
LINE 23:	35000
LINE 24:	50000

SCHEDULE CD:

LINE 1: 100000
LINE 3a: 379468
LINE 3c: 147665

SCHEDULE E-2:

LINE 4b: 231519
LINE 4d: 45877

SCHEDULE F:

	MA	WORLDWIDE
LINE 1a:	3131702	
LINE 1b:	2400000	
LINE 2a:	1927133	
LINE 3a:	36964897	47692420
LINE 3b:	23854	427875
LINE 3c:	25457	117650
LINE 3d:	15000	56523

SCHEDULE S:

LINE 8: 5250
LINE 9: 7750
LINE 10: 25600
LINE 11: 56523
LINE 13: 385690
LINE 15: 5833922
LINE 20: 183269
LINE 22: 25600
LINE 24: 307
LINE 28: 25684
LINE 29: 4275
LINE 30: 2250
LINE 31: 876
LINE 32: 1205
LINE 35: 5683
LINE 36: -277
LINE 37: 27866
LINE 38: -5374
LINE 39: 85
LINE 41: -5000
LINE 42: 10000
LINE 43: -3000

SCH SK1

SHAREHOLDER PERCENTAGES :

ONE	10
TWO	15
THREE	16
FOUR	7
FIVE	20
SIX	4
SEVEN	7
EIGHT	7
NINE	4
TEN	4
ELEVEN	1
TWELVE	1
THIRTEEN	1
FOURTEEN	2
FIFTEEN	1

Form 1120S

U.S. Income Tax Return for an S Corporation

D1-6/21/04

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

Do not file this form unless the corporation has timely filed

Form 2553 to elect to be an S corporation.

See separate instructions.

2004

For calendar year 2004, or tax year beginning

, 2004, and ending

, 20

A Effective date of S election

01-01-1999

B Business code number (see pages 31-33 of the Insts.)

313000

Use the IRS label. Otherwise, print or type.

Name

PORCH SWINGS AND LAWN CHAIRS INC

Number, street, and room or suite no. (If a P.O. box, see page 12 of the instructions.)

16665 253RD WAY

City or town, state, and ZIP code

BOSTON

MA 02105

C Employer identification number

40-5757575

D Date incorporated

07-02-1998

E Total assets (see page 12 of instructions)

\$ 66,906,469

F Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return

G Enter number of shareholders in the corporation at end of the tax year 15

Caution: Include only trade or business income and expenses on lines 1a through 21. See page 12 of the instructions for more information.

Income

1 a	Gross receipts or sales	48,294,468	b	Less returns and allowances		c	Balance	1c	48,294,468
2	Cost of goods sold (Schedule A, line 8)							2	20,428,536
3	Gross profit. Subtract line 2 from line 1c							3	27,865,932
4	Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797)							4	15,000
5	Other income (loss) (attach schedule)							5	5,000,000
6	Total income (loss). Add lines 3 through 5							6	32,880,932

Deductions

(see page 13 of the instructions for limitations)

7	Compensation of officers			7	225,000
8	Salaries and wages (less employment credits)			8	775,386
9	Repairs and maintenance			9	97,622
10	Bad debts			10	
11	Rents			11	84,000
12	Taxes and licenses			12	83,265
13	Interest			13	10,000,000
14 a	Depreciation (attach Form 4562)	14a	687,123		
b	Depreciation claimed on Schedule A and elsewhere on return	14b			
c	Subtract line 14b from line 14a			14c	687,123
15	Depletion (Do not deduct oil and gas depletion.)			15	
16	Advertising			16	500,000
17	Pension, profit-sharing, etc., plans			17	
18	Employee benefit programs			18	
19	Other deductions (attach schedule)			19	14,551,272
20	Total deductions. Add the amounts shown in the far right column for lines 7 through 19			20	27,003,668
21	Ordinary business income (loss). Subtract line 20 from line 6			21	5,877,264

Tax and Payments

22	Tax: a Excess net passive income tax (attach schedule)	22a			
b	Tax from Schedule D (Form 1120S)	22b			
c	Add lines 22a and 22b (see page 17 of the instructions for additional taxes)			22c	
23	Payments: a 2004 estimated tax payments and amount applied from 2003 return	23a			
b	Tax deposited with Form 7004	23b			
c	Credit for Federal tax paid on fuels (attach Form 4136)	23c			
d	Add lines 23a through 23c			23d	
24	Estimated tax penalty (see page 17 of instructions). Check if Form 2220 is attached			24	
25	Tax due. If line 23d is smaller than the total of lines 22c and 24, enter amount owed			25	
26	Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid			26	
27	Enter amount of line 26 you want: Credited to 2005 estimated tax			27	

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

May the IRS discuss this return with the preparer shown below (see instructions)? ☐ Yes ☒ No

Preparer's signature

Date

Check if self-employed ☐

Preparer's SSN or PTIN

Paid Preparer's Use Only

Firm's name (or yours if self-employed), address, and ZIP code

EIN

Phone no.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

EEA

Form 1120S (2004)

Schedule A Cost of Goods Sold (see page 17 of the instructions)

1	Inventory at beginning of year	1	3,854,464
2	Purchases	2	19,105,014
3	Cost of labor	3	1,775,099
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	24,734,577
7	Inventory at end of year	7	4,306,041
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	20,428,536

9 a Check all methods used for valuing closing inventory: (i) ☒ Cost as described in Regulations section 1.471-3
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
(iii) ☐ Other (specify method used and attach explanation) _____

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **9d** _____

e If property is produced or acquired for resale, do the rules of Section 263A apply to the corporation? ☐ Yes ☐ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No
If "Yes," attach explanation.

Schedule B Other Information (see page 18 of instructions)

	Yes	No
1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) _____		
2 See pages 31 through 33 of the instructions and enter the: (a) Business activity MANUFACTURING (b) Product or service LAWN FURNITURE		
3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned SEE ATT-04	<input checked="" type="checkbox"/>	
4 Was the corporation a member of a controlled group subject to the provisions of section 1561?	<input checked="" type="checkbox"/>	
5 Check this box if the corporation has filed or is required to file Form 8264 , Application for Registration of a Tax Shelter <input checked="" type="checkbox"/>		
6 Check this box if the corporation issued publicly offered debt instruments with original issue discount <input checked="" type="checkbox"/> If checked, the corporation may have to file Form 8281 , Information Return for Publicly Offered Original Issue Discount Instruments.		
7 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (b) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years \$ _____		
8 Check this box if the corporation had accumulated earnings and profits at the close of the tax year <input checked="" type="checkbox"/>		
9 Are the corporation's total receipts (see page 19 of the instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1.		<input checked="" type="checkbox"/>

Note: If the corporation had assets or operated a business in a foreign country or U.S. possession, it may be required to attach

Schedule N (Form 1120), Foreign Operations of U.S. Corporations, to this return. See Schedule N for details.

Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.

Shareholders' Pro Rata Share Items		Total amount	
1	Ordinary business income (loss) (page 1, line 21)	1	5,877,264
2	Net rental real estate income (loss) (attach Form 8825)	2	27,867
3a	Other gross rental income (loss)	3a	117,650
b	Expenses from other rental activities (attach schedule) STATEMENT # 6	3b	109,190
c	Other net rental income (loss). Subtract line 3b from line 3a	3c	8,460
4	Interest income	4	17,963
5	Dividends: a Ordinary dividends	5a	5,287
b	Qualified dividends	5b	
6	Royalties	6	15,000
7	Net short-term capital gain (loss)	7	10,656
8a	Net long-term capital gain (loss)	8a	7,835
b	Collectibles (28%) gain (loss)	8b	
c	Unrecaptured section 1250 gain (attach schedule)	8c	
9	Net section 1231 gain (loss) (attach Form 4797)	9	20,226
10	Other income (loss) (attach schedule) STATEMENT # 6	10	21,470

Shareholders' Pro Rata Share Items (continued)		Total amount	
Other Deductions	11 Section 179 deduction (attach Form 4562)	11	
	12a Contributions	12a	100,000
	b Deductions related to portfolio income (attach schedule)	12b	
	c Investment interest expense	12c	
	d Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12d2	
	e Other deductions (attach schedule)	12e	
Credits & Credit Recapture	13a Low-income housing credit (section 42(j)(5))	13a	
	b Low-income housing credit (other)	13b	
	c Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
	d Other rental real estate credits	13d	
	e Other rental credits	13e	
	f Credit for alcohol used as fuel (attach Form 6478)	13f	
	g Other credits and credit recapture (attach schedule)	13g	20,000
Foreign Transactions	14a Name of foreign country or U.S. possession ▶		
	b Gross income from all sources	14b	
	c Gross income sourced at shareholder level	14c	
	Foreign gross income sourced at corporate level:		
	d Passive	14d	
	e Listed categories (attach schedule)	14e	
	f General limitation	14f	
	Deductions allocated and apportioned at shareholder level:		
	g Interest expense	14g	
	h Other	14h	
	Deductions allocated and apportioned at corporate level to foreign source income:		
	i Passive	14i	
	j Listed categories (attach schedule)	14j	
	k General limitation	14k	
Other information:			
l Foreign taxes paid	14l		
m Foreign taxes accrued	14m		
n Reduction in taxes available for credit (attach schedule)	14n		
Alternative Minimum Tax (AMT) Items	15a Post-1986 depreciation adjustment	15a	
	b Adjusted gain or loss	15b	
	c Depletion (other than oil and gas)	15c	
	d Oil, gas, and geothermal properties-gross income	15d	
	e Oil, gas, and geothermal properties-deductions	15e	
	f Other AMT items (attach schedule)	15f	
Items Affecting Shareholder Basis	16a Tax-exempt interest income	16a	17,000
	b Other tax-exempt income	16b	
	c Nondeductible expenses	16c	35,000
	d Property distributions	16d	
	e Repayment of loans from shareholders	16e	
Other Information	17a Investment income	17a	
	b Investment expenses	17b	
	c Dividend distributions paid from accumulated earnings and profits	17c	
	d Other items and amounts (attach schedule)		
	e Income/loss reconciliation. (Required only if Schedule M-1 must be completed.) Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12e and lines 14l or 14m, whichever applies	17e	5,912,028

Note: The corporation is not required to complete Schedules L and M-1 if question 9 of Schedule B is answered "Yes."

Schedule L		Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)		
1	Cash		1,203,400		856,473		
2 a	Trade notes and accounts receivable	2,773,465		3,487,556			
b	Less allowance for bad debts		2,773,465		3,487,556		
3	Inventories		3,854,464		4,306,041		
4	U.S. government obligations						
5	Tax-exempt securities						
6	Other current assets (attach schedule) . . .		375,000		425,000		
7	Loans to shareholders		299,500		27,863		
8	Mortgage and real estate loans						
9	Other investments (attach schedule)		1,653,500		1,653,500		
10 a	Buildings and other depreciable assets . . .	48,605,762		55,211,524			
b	Less accumulated depreciation	14,566,858	34,038,904	15,263,981	39,947,543		
11 a	Depletable assets						
b	Less accumulated depletion						
12	Land (net of any amortization)		16,075,000		16,075,000		
13 a	Intangible assets (amortizable only)						
b	Less accumulated amortization						
14	Other assets (attach schedule)		117,493		117,493		
15	Total assets		60,390,726		66,896,469		
Liabilities and Shareholders' Equity							
16	Accounts payable		1,436,765		1,765,436		
17	Mortgages, notes, bonds payable in less than 1 year . .		1,376,857		2,757,689		
18	Other current liabilities (attach schedule) . . .		15,233		27,866		
19	Loans from shareholders		150,000		45,557		
20	Mortgages, notes, bonds payable in 1 year or more . .		6,776,593		5,776,593		
21	Other liabilities (attach schedule)		29,766		15,788		
22	Capital stock		4,800,000		4,800,000		
23	Additional paid-in capital		45,200,000		45,200,000		
24	Retained earnings		880,512		6,782,540		
25	Adjustments to shareholders' equity (attach schedule)						
26	Less cost of treasury stock		(275,000)		(275,000)		
27	Total liabilities and shareholders' equity . . .		60,390,726		66,896,469		

Schedule M-1				
Reconciliation of Income (Loss) per Books With Income (Loss) per Return				
1	Net income (loss) per books	5,877,264	5	Income recorded on books this year not included on Schedule K, lines 1 through 10 (itemize):
2	Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (itemize): _____		a	Tax-exempt interest \$ _____
3	Expenses recorded on books this year not included on Schedule K, lines 1 through 12, and 14l or (14m) (itemize):		6	Deductions included on Schedule K, lines 1 through 12, and 14l or (14m), not charged against book income this year (itemize):
a	Depreciation \$ _____		a	Depreciation \$ _____
b	Travel and entertainment \$ _____		7	Add lines 5 and 6
4	Add lines 1 through 3	5,877,264	8	Income (loss) (Schedule K, line 17e). Line 4 less line 7
				5,877,264

Schedule M-2			
Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see page 29 of the instructions)			
	(a) Accumulated adjustments account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year	4,452,260	
2	Ordinary income from page 1, line 21	5,877,264	
3	Other additions		
4	Loss from page 1, line 21	()	
5	Other reductions	()	
6	Combine lines 1 through 5	10,329,524	
7	Distributions other than dividend distributions .	4,000,000	
8	Balance at end of tax year. Subtract line 7 from line 6 .	6,329,524	

**SCHEDULE D
(Form 1120S)****Capital Gains and Losses and Built-In Gains**

OMB No. 1545-0130

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 1120S.

▶ See separate instructions.

2004

Name

Employer identification number

PORCH SWINGS AND LAWN CHAIRS INC**40-5757575****Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less**

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (yr., mo., day)	(c) Date sold (yr., mo., day)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
1 GAIN ON SALE	2003-09-23	2004-03-15	5,683		5,683
LOSS ON SALE	2003-09-23	2004-03-15		277	(277)
2 Short-term capital gain from installment sales from Form 6252, line 26 or 37				2	
3 Short-term capital gain or (loss) from like-kind exchanges from Form 8824				3	
4 Combine lines 1 through 3 in column (f)				4	5,406
5 Tax on short-term capital gain included on line 21 below				5	()
6 Net short-term capital gain or (loss). Combine lines 4 and 5. Enter here and on Form 1120S, Schedule K, line 7 or 10				6	5,406

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example, 100 shares of "Z" Co.)	(b) Date acquired (yr., mo., day)	(c) Date sold (yr., mo., day)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) (Subtract (e) from (d))
7 LONG TERM GAIN	1980-10-17	2004-06-22	85		85
8 Long-term capital gain from installment sales from Form 6252, line 26 or 37				8	
9 Long-term capital gain or (loss) from like-kind exchanges from Form 8824				9	
10 Capital gain distributions				10	
11 Combine lines 7 through 10 in column (f)				11	85
12 Tax on long-term capital gain included on line 21 below				12	()
13 Net long-term capital gain or (loss). Combine lines 11 and 12. Enter here and on Form 1120S, Schedule K, line 8 or 10				13	85

Part III Built-In Gains Tax (See instructions **before** completing this part.)

14 Excess of recognized built-in gains over recognized built-in losses (attach computation schedule)	14	85
15 Taxable income (attach computation schedule)	15	
16 Net recognized built-in gain. Enter the smallest of line 14, line 15, or line 7 of Schedule B	16	
17 Section 1374(b)(2) deduction	17	
18 Subtract line 17 from line 16. If zero or less, enter -0- here and on line 21.	18	
19 Enter 35% of line 18	19	
20 Section 1374(b)(3) business credit and minimum tax credit carryforwards from C corporation years	20	
21 Tax. Subtract line 20 from line 19 (if zero or less, enter -0-). Enter here and on Form 1120S, page 1, line 22b	21	

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 1120S.

EEA

Schedule D (Form 1120S) 2004

Sales of Business Property

(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

D2 - 9/8/04

OMB No. 1545-0184

2004

Attachment
Sequence No. 27

Name(s) shown on return

PORCH SWINGS AND LAWN CHAIRS INC

Identifying number

40-5757575

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2004 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft -- Most Property Held More Than 1 Year (see instructions)

(a) Description of property	(b) Date acquired (yr., mo., day)	(c) Date sold (yr., mo., day)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2 LOSS ON SALE	19880722	20040928			5,374	(5,374)

- 3 Gain, if any, from Form 4684, line 39
- 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824
- 6 Gain, if any, from line 32, from other than casualty or theft
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:

3

4

5

6

7

(5,374)

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, 11, and 12 below.

- 8 Nonrecaptured net section 1231 losses from prior years (see instructions)
- 9 Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on Schedule D (see instructions)

8

9

Part II Ordinary Gains and Losses

- 10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

GAIN ON SALE	20000212	20040226	15,000			15,000

- 11 Loss, if any, from line 7
- 12 Gain, if any, from line 7 or amount from line 8, if applicable
- 13 Gain, if any, from line 31
- 14 Net gain or (loss) from Form 4684, lines 31 and 38a
- 15 Ordinary gain from installment sales from Form 6252, line 25 or 36
- 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824
- 17 Combine lines 10 through 16

11

12

13

14

15

16

17

15,000

- 18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:

a If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18a." See instructions

18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14

18b

Work Opportunity Credit

▶ Attach to your tax return.

D1 - (08/05/04)

OMB No. 1545-0219

2004

Attachment
Sequence No. 77

Name(s) shown on return

PORCH SWINGS AND LAWN CHAIRS INC

Identifying number

40-5757575

Part I Current Year Credit (Members of a controlled group, see instructions.)

1	Enter the total qualified first-year wages paid or incurred during the tax year, and multiply by the percentage shown, for services of employees who began work for you before January 1, 2004, are certified as members of a targeted group; and:												
a	Worked for you at least 120 hours but fewer than 400 hours . . . \$ _____ x 25% (.25)	1a											
b	Worked for you at least 400 hours \$ <u>50,000</u> x 40% (.40)	1b	<u>20,000</u>										
2	Add lines 1a and 1b. You must subtract this amount from your deduction for salaries and wages	2	<u>20,000</u>										
3	<table border="1"> <thead> <tr> <th>If you are a -</th> <th>Then enter the total of the current year credits from -</th> </tr> </thead> <tbody> <tr> <td>a Shareholder</td> <td>Schedule K-1 (Form 1120S), box 13, code G, H, or J . . .</td> </tr> <tr> <td>b Partner</td> <td>Schedule K-1 (Form 1065), box 15, code G, H, or J . . .</td> </tr> <tr> <td>c Beneficiary</td> <td>Schedule K-1 (Form 1041), line 14</td> </tr> <tr> <td>d Patron</td> <td>Written statement from cooperative</td> </tr> </tbody> </table>	If you are a -	Then enter the total of the current year credits from -	a Shareholder	Schedule K-1 (Form 1120S), box 13, code G, H, or J . . .	b Partner	Schedule K-1 (Form 1065), box 15, code G, H, or J . . .	c Beneficiary	Schedule K-1 (Form 1041), line 14	d Patron	Written statement from cooperative	3	
If you are a -	Then enter the total of the current year credits from -												
a Shareholder	Schedule K-1 (Form 1120S), box 13, code G, H, or J . . .												
b Partner	Schedule K-1 (Form 1065), box 15, code G, H, or J . . .												
c Beneficiary	Schedule K-1 (Form 1041), line 14												
d Patron	Written statement from cooperative												
4	Current year credit. Add lines 2 and 3. (S corporations, partnerships, estates, trusts, cooperatives, regulated investment companies, and real estate investment trusts, see instructions.)	4	<u>20,000</u>										

Part II Allowable Credit (See **Who must file Form 3800** to find out if you complete Part II or file Form 3800.)

5	Regular tax before credits:		
•	Individuals. Enter the amount from Form 1040, line 43	}	5
•	Corporations. Enter the amount from Form 1120, Schedule J, line 3; Form 1120-A, Part I, line 1; or the applicable line of your return		
•	Estates and trusts. Enter the sum of the amounts from Form 1041, Schedule G, lines 1a and 1b, or the amount from the applicable line of your return		
6	Alternative minimum tax:		
•	Individuals. Enter the amount from Form 6251, line 35	}	6
•	Corporations. Enter the amount from Form 4626, line 14		
•	Estates and trusts. Enter the amount from Form 1041, Schedule I, line 56		
7	Add lines 5 and 6	7	
8a	Foreign tax credit	8a	
b	Credits from Form 1040, lines 46 through 49 and 51 through 53	8b	
c	Possessions tax credit (Form 5735, line 17 or 27)	8c	
d	Credits for fuel from a nonconventional source	8d	
e	Qualified electric vehicle credit (Form 8834, line 20)	8e	
f	Add lines 8a through 8e	8f	
9	Net income tax. Subtract line 8f from line 7. If zero, skip lines 10 through 13 and enter -0- on line 14 . . .	9	
10	Net regular tax. Subtract line 8f from line 5. If zero or less, enter -0-	10	
11	Enter 25% (.25) of the excess, if any, of line 10 over \$25,000 (see instructions)	11	
12	Tentative minimum tax (see instructions)	12	
13	Enter the greater of line 11 or line 12	13	
14	Subtract line 13 from line 9. If zero or less, enter -0-	14	
15	Credit allowed for the current year. Enter the smaller of line 4 or line 14 here and on Form 1040, line 54; Form 1120, Schedule J, line 6d; Form 1120-A, Part I, line 2; Form 1041, Schedule G, line 2c; or the applicable line of your return. If line 14 is smaller than line 4, see instructions	15	

For Paperwork Reduction Act Notice, see page 3.

EEA

Form 5884 (2004)

Form **8825****Rental Real Estate Income and Expenses of a
Partnership or an S Corporation**

OMB No. 1545-1186

Department of the Treasury
Internal Revenue Service

▶ See instructions.

2004

▶ Attach to Form 1065, Form 1065-B, or Form 1120S.

Name

Employer identification number

PORCH SWINGS AND LAWN CHAIRS INC**40-5757575****1** Show the kind and location of each property. See page 2 for additional properties.**A** RENTAL PROPERTY**B****C****D**

		Properties			
		A	B	C	D
Rental Real Estate Income					
2 Gross rents	2	800,000			
Rental Real Estate Expenses					
3 Advertising	3				
4 Auto and travel	4				
5 Cleaning and maintenance	5				
6 Commissions	6				
7 Insurance	7				
8 Legal and other professional fees	8				
9 Interest	9				
10 Repairs	10	77			
11 Taxes	11	2,133			
12 Utilities	12				
13 Wages and salaries	13				
14 Depreciation (see instructions)	14				
15 Other (list) ▶	15				

16 Total expenses for each property. Add lines 3 through 15	16	2,210			

17 Total gross rents. Add gross rents from line 2, columns A through H	17	800,000
18 Total expenses. Add total expenses from line 16, columns A through H	18	(772,133)
19 Net gain (loss) from Form 4797, Part II, line 18, from the disposition of property from rental real estate activities	19	
20a Net income (loss) from rental real estate activities from partnerships, estates, and trusts in which this partnership or S corporation is a partner or beneficiary (from Schedule K-1)	20a	
b Identify below the partnerships, estates, or trusts from which net income (loss) is shown on line 20a. Attach a schedule if more space is needed:		
(1) Name	(2) Employer identification number	
-----	-----	
-----	-----	
-----	-----	
21 Net income (loss) from rental real estate activities. Combine lines 17 through 20a. Enter the result here and on:	21	27,867
<ul style="list-style-type: none"> Form 1065 or 1120S: Schedule K, line 2, or Form 1065-B: Part I, line 4 		

Schedule K, Line 3a and 3b
Expenses from other Rental Activities

Name as shown on return	EIN
PORCH SWINGS AND LAWN CHAIRS INC	40-5757575

Kind OTHER RENTAL INCOME
Address _____

Gross rents (carries to Schedule K, line 3a)	<u>117,650</u>
Advertising	_____
Auto and travel	_____
Cleaning and maintenance	_____
Commissions	_____
Insurance	_____
Legal and other professional fees	_____
Interest	_____
Repairs	_____
Taxes	<u>109,190</u>
Utilities	_____
Wages and salaries	_____
Depreciation	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total expenses (carries to Schedule K, Line 3b)	<u>109,190</u>
Net rental	<u>8,460</u>

FORM 1120S, Schedule B, Question # 3		2004 ATT-04
Name PORCH SWINGS AND LAWN CHAIRS INC		Employer ID Number 40-5757575
NAME & ADDRESS	ID#	% OWNED
PATIOS AND PARK BENCHES	40-5757576	100.00

Form 355S S Corporation Excise Return

2004

Ovals must be filled in completely. Example: If filing a calendar year return, fill in oval All others, enter appropriate dates below:

Tax year beginning (month–day–year)

Tax year ending (month–day–year)

CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER (FID)

PRINCIPAL BUSINESS ADDRESS

CITY/TOWN/POST OFFICE

STATE

ZIP + 4

PRINCIPAL BUSINESS ADDRESS IN MASSACHUSETTS (IF DIFFERENT)







CITY/TOWN/POST OFFICE

STATE

ZIP + 4

- | | | | | | | | | | | | |
|-----------|--|--|---|---|---|---|---|---|---|---|---|
| 1 | Is the corporation incorporated within Massachusetts? ▶ | <input type="radio"/> Yes | <input type="radio"/> No | | | | | | | | |
| 2 | Type of corporation (select one, if applicable; enclose Form F-2) ▶ | <input type="radio"/> Section 38 manufacturer | <input type="radio"/> Mutual fund service | | | | | | | | |
| 3 | Type of corporation (select one, if applicable) ▶ | <input type="radio"/> R&D | <input type="radio"/> Classified manufacturing <input type="radio"/> RIC | | | | | | | | |
| 4 | Is the corporation a qualified S corporation subsidiary? ▶ | <input type="radio"/> Yes | <input type="radio"/> No | | | | | | | | |
| 5 | Is the corporation the parent of another corporation? ▶ | <input type="radio"/> Yes | <input type="radio"/> No | | | | | | | | |
| 6 | Is the corporation an insurance mutual fund holding corporation? ▶ | <input type="radio"/> Yes | <input type="radio"/> No | | | | | | | | |
| 7 | Is the corporation requesting alternative apportionment (enclose Form AA-1)? . . . ▶ | <input type="radio"/> Yes | <input type="radio"/> No | | | | | | | | |
| 8 | Is this a final Massachusetts return? ▶ | <input type="radio"/> Yes | <input type="radio"/> No | | | | | | | | |
| 9 | Principal business code (from U.S. return) ▶ | 9 | <table border="1"><tr><td></td><td></td><td></td><td></td></tr></table> | | | | | | | | |
| | | | | | | | | | | | |
| 10 | FID of parent corporation, if filing a consolidated federal return ▶ | 10 | <table border="1"><tr><td></td><td></td><td></td><td></td></tr></table> | | | | | | | | |
| | | | | | | | | | | | |
| 11 | Average number of employees in Massachusetts | 11 | <table border="1"><tr><td></td><td></td><td></td><td></td></tr></table> | | | | | | | | |
| | | | | | | | | | | | |
| 12 | Average number of employees worldwide | 12 | <table border="1"><tr><td></td><td></td><td></td><td></td></tr></table> | | | | | | | | |
| | | | | | | | | | | | |
| 13 | Date of charter in Massachusetts or first date of business in Massachusetts (see instructions) | 13 | <table border="1"><tr><td>M</td><td>M</td><td>D</td><td>D</td><td>Y</td><td>Y</td><td>Y</td><td>Y</td></tr></table> | M | M | D | D | Y | Y | Y | Y |
| M | M | D | D | Y | Y | Y | Y | | | | |
| 14 | Last year audited by IRS ▶ | 14 | <table border="1"><tr><td></td><td></td><td></td><td></td></tr></table> | | | | | | | | |
| | | | | | | | | | | | |
| 15 | Have adjustments been reported to Massachusetts? <input type="radio"/> Yes <input type="radio"/> No | | | | | | | | | | |
| 16 | Is the corporation deducting intangible or interest expenses paid to a related entity? ▶ | <input type="radio"/> Yes <input type="radio"/> No | | | | | | | | | |

Excise Calculation

- 1** Taxable Massachusetts tangible property, if applicable (from Schedule C, line 4)  $\times .0026 =$  **1**
 - 2** Taxable net worth, if applicable (from Schedule D, line 10)  $\times .0026 =$  **2**
 - 3** Qualifying taxable income and passive investment income  $\times .095 =$  **3**

BE SURE TO CONTINUE EXCISE CALCULATIONS ON OTHER SIDE.

SIGN HERE. Under penalties of perjury, I declare that to the best of my knowledge and belief this return and enclosures are true, correct and complete.

Signature of appropriate officer (see instructions)

Date _____

/ / /

Print paid preparer's name

Preparer's SSN
or PTIN

--	--	--	--	--	--	--	--

Title

Paid preparer's phone

Paid preparer's
EIN

Are you signing as an authorized delegate of the appropriate corporate officer? ☐ Yes (enclose Form M-2848)

Paid preparer's signature

Date _____

☐ Fill in if self-employed

Mail to: Massachusetts Department of Revenue, PO Box 7025, Boston, MA 02204.



4	Income (from 2004 Schedule S, line 12)	▶ 4	
5	Income taxable in Massachusetts (from Schedule E, line 25). Enter "0" if a loss.	▶ 5	
6	If line 4 is less than \$6 million, enter "0." If line 4 is \$6 million or more, but less than \$9 million, multiply line 5 by .03. If line 4 is \$9 million or more, multiply line 5 by .045	6	
7	Credit recapture. Enclose Schedule H-2.	▶ 7	
8	Excise before credits. Add line 1 or 2, whichever applies, to total of lines 3, 6 and 7	8	
9	Economic Opportunity Area Credit (from Schedule H, line 26b)	▶ 9	
10	3% credit for certain new or expanded investments (from Schedule H, line 15b)	▶ 10	
11	Vanpool Credit (from Schedule H, line 11b).	▶ 11	
12	Credit carryover. See instructions	▶ 12	
13	Research Credit (from Schedule RC, line 26; or RC-A, line 30)	▶ 13	
14	Harbor Maintenance Tax Credit (from Schedule HM, line 15)	▶ 14	
15	Full Employment Credit (from Schedule FEC, line 23)	▶ 15	
16	Brownfields Credit (from Schedule BC, line 10).	▶ 16	
17	Low-Income Housing Credit	▶ 17	
18	Total credits. Add lines 9 through 17.	▶ 18	
19	Excise after credits. Subtract line 18 from line 8.	19	
20	Minimum excise (cannot be prorated)	20	
21	Excise due before voluntary contribution (line 19 or line 20, whichever is greater).	21	
22	Voluntary contribution for endangered wildlife conservation	▶ 22	
23	Excise due plus voluntary contribution. Add lines 21 and 22.	▶ 23	
24	2003 overpayment applied to your 2004 estimated tax	▶ 24	
25	2004 Massachusetts estimated tax payments (do not include amount in line 24)	▶ 25	
26	Payment made with extension	▶ 26	
27	Amount overpaid. Subtract line 23 from the total of lines 24 through 26	27	
28	Amount overpaid to be credited to 2005 estimated tax	▶ 28	
29	Amount overpaid to be refunded. Subtract line 28 from line 27 Refund	▶ 29	
30	Balance due. Subtract the total of lines 24 through 26 from line 23 Balance due	▶ 30	
31	a. M-2220 penalty ▶ b. Late file/pay penalties ▶ . . . a + b =	31	
32	Interest on unpaid balance	▶ 32	
33	Total payment due at time of filing. Make check payable to Commonwealth of Massachusetts. Total due	▶ 33	



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule A Balance Sheet**2004**

Assets		A. Original cost	B. Accumulated depreciation and amortization	C. Net book value
1	Capital assets in Massachusetts:			
a.	Buildings ▶ 1a			
b.	Land ▶ 1b			
c.	Motor vehicles and trailers ▶ 1c			
d.	Machinery taxed locally ▶ 1d			
e.	Machinery not taxed locally ▶ 1e			
f.	Equipment ▶ 1f			
g.	Fixtures ▶ 1g			
h.	Leasehold improvements taxed locally ▶ 1h			
i.	Leasehold improvements not taxed locally ▶ 1i			
j.	Other fixed depreciable assets ▶ 1j			
k.	Construction in progress ▶ 1k			
l.	Total capital assets in Massachusetts ▶ 1l			
2	Inventories in Massachusetts:			
a.	General merchandise ▶ 2a			
b.	Exempt goods ▶ 2b			
3	Supplies and other non-depreciable assets in Massachusetts ▶ 3			
4	Total tangible assets in Massachusetts ▶ 4			
5	Capital assets outside of Massachusetts:			
a.	Buildings and other depreciable assets ▶ 5a			
b.	Land ▶ 5b			
6	Leaseholds/leasehold improvements outside Massachusetts ▶ 6			
7	Total capital assets outside Massachusetts ▶ 7			

BE SURE TO CONTINUE SCHEDULE A ON OTHER SIDE.



8	Inventories outside Massachusetts	8							
9	Supplies and other non-depreciable assets outside Massachusetts	9							
10	Total tangible assets outside of Massachusetts	10							
11	Total tangible assets. Add lines 4 and 10. ►	11							
12	Investments (capital stock investments and equity contributions only):								
	a. Investments in subsidiary corporations at least 80% owned (enclose Schedule A-1) ►	12a							
	b. Other investments. ►	12b							
13	Notes receivable	13							
14	Accounts receivable	14							
15	Intercompany receivables (enclose Schedule A-2)	15							
16	Cash	16							
17	Other assets	17							
18	Total assets	18							
Liabilities and Capital									
19	Mortgages on:								
	a. Massachusetts tangible property taxed locally	19a							
	b. Other tangible assets	19b							
20	Bonds and other funded debt	20							
21	Accounts payable	21							
22	Intercompany payables (enclose Schedule A-3) ►	22							
23	Notes payable	23							
24	Miscellaneous current liabilities	24							
25	Miscellaneous accrued liabilities	25							
26	Total liabilities	26							
27	Total capital stock issued	27							
28	Paid-in or capital surplus	28							
29	Retained earnings and surplus reserves	29							
30	Undistributed S corporation net income	30							
31	Total capital. Add lines 27 through 30	31							
32	Treasury stock	32							
33	Total liabilities and capital	33							

DRAFT AS OF
SEPTEMBER 17, 2004
(SUBJECT TO CHANGE)

CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule B. Tangible or Intangible Property Corporation Classification

2004

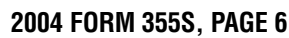
Enter all values as net book values from Schedule A, col. c.

1	Total Massachusetts tangible property (from Schedule A, line 4)	1							
2	Massachusetts real estate (from Schedule A, lines 1a and 1b)	2							
3	Massachusetts motor vehicles and trailers (from Schedule A, line 1c)	3							
4	Massachusetts machinery taxed locally. Manufacturing corporations enter "0" (from Schedule A, line 1d)	4							
5	Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	5							
6	Massachusetts tangible property taxed locally. Add lines 2 through 5	6							
7	Massachusetts tangible property not taxed locally. Subtract line 6 from line 1	7							
8	Total assets (from Schedule A, line 18)	8							
9	Massachusetts tangible property taxed locally (from line 6 above)	9							
10	Total assets not taxed locally. Subtract line 9 from line 8	10							
11	Investments in subsidiaries at least 80% owned. See instructions	11							
12	Assets subject to allocation. Subtract line 11 from line 10	12							
13	Income apportionment percentage (from Schedule F, line 5)	13							
14	Allocated assets. Multiply line 12 by line 13	14							
15	Tangible property percentage. Divide line 7 by line 14	15							

Schedule C Tangible Property Corporation

Complete only if Schedule B, line 15 is 10% or more. Enter all values as net book values from Schedule A, col. c.

1	Total Massachusetts tangible property (from Schedule A, line 4)	1	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
2	Exempt Massachusetts tangible property:		
a.	Massachusetts real estate (from Schedule A, lines 1a and 1b).	2a	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
b.	Massachusetts motor vehicles and trailers (from Schedule A, line 1c).	2b	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
c.	Massachusetts machinery taxed locally (from Schedule A, line 1d). Manufacturing corporations enter "0"	2c	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
d.	Massachusetts leasehold improvements taxed locally (from Schedule A, line 1h)	2d	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
e.	Exempt goods (from Schedule A, line 2b)	2e	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
f.	Certified Massachusetts industrial waste/air treatment facilities	2f	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
g.	Certified Massachusetts solar or wind power deduction.	2g	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
3	Total exempt Massachusetts tangible property. Add lines 2a through 2g	3	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>
4	Taxable Massachusetts tangible property. Subtract line 3 from line 1. Do not enter less than "0."		
	Enter result in line 1 of the Excise Calculation on page 1, and enter "0" in line 2 of the Excise Calculation.	4	<div style="border: 1px solid black; width: 100%; height: 20px;"></div>



2004

Complete only if Schedule B, line 15 is less than 10%. Enter all values as net book values from Schedule A, col. c.						
1	Total assets (from Schedule A, line 18)	1				
2	Total liabilities (from Schedule A, line 26).	2				
3	Massachusetts tangible property taxed locally (from Schedule B, line 6)	3				
4	Mortgages on Massachusetts tangible property taxed locally (from Schedule A, line 19a)	4				
5	Subtract line 4 from line 3	5				
6	Investments in subsidiaries at least 80% owned (from Schedule A, lines 12a).	6				
7	Deductions from total assets. Add lines 2, 5 and 6.	7				
8	Allocable net worth. Subtract line 7 from line 1. Do not enter less than "0"	8				
9	Income apportionment percentage (from Schedule F, line 5)	9				
10	Taxable net worth. Multiply line 8 by line 9. Enter result in line 1 of the Excise Calculation on page 2, and enter "0" in line 1 of the Excise Calculation	10				

Schedule E-1 Dividends Deduction

1	Total dividends (from U.S. Form 1120, Schedule C, line 19)	1							
2	Dividends from Massachusetts corporate trusts	2							
3	Dividends from non-wholly-owned DISCs	3							
4	Dividends, if less than 15% of voting stock owned	4							
5	Total taxable dividends. Add lines 2 through 4	5							
6	Dividends eligible for deduction. Subtract line 5 from line 1	6							
7	Dividends deduction. Multiply line 6 by .95	7							



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule E Taxable Income**2004**

▼ If showing a loss, mark an X in box at left

1	Gross receipts or sales (from U.S. Form 1120, line 1c)	▶ 1							
2	Gross profit (from U.S. Form 1120, line 3)	▶ 2	X						
3	Other deductions (from U.S. Form 1120, line 26)	▶ 3							
4	Net income (from U.S. Form 1120, line 28)	▶ 4	X						
5	Allowable U.S. wage credit. See instructions	▶ 5							
6	Subtract line 5 from line 4	6	X						
7	State and municipal bond interest not included in U.S. net income	▶ 7							
8	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	▶ 8							
9	Section 168(k) "bonus" depreciation adjustment. See instructions	▶ 9	X						
10	Sections 311 and 31K intangible expense add back adjustment. See instructions	▶ 10							
11	Sections 31J and 31K interest expense add back adjustment. See instructions	▶ 11							
12	Other adjustments, including research and development expenses. See instructions	▶ 12	X						
13	Add lines 6 through 12	13	X						
14	Abandoned building renovation deduction	× 10 = ▶ 14							
15	Dividends deduction (from Schedule E-1, line 7)	▶ 15							
16	Exception(s) to the add back of intangible expenses (enclose Schedule ABIE)	16							
17	Exception(s) to the add back of interest expenses (enclose Schedule ABI)	17							
18	Subtract the total of lines 14 through 17 from line 13. See instructions	18	X						
19	Loss carryover (from Schedule E-2, line 8 or line 13, whichever applies)	▶ 19							
20	Income subject to apportionment. Subtract line 19 from line 18	20	X						
21	Income apportionment percentage (from Schedule F, line 5 or 1.0, whichever applies)	21							
22	Multiply line 20 by line 21	22	X						
23	Income not subject to apportionment	23	X						
24	Certified Massachusetts solar or wind power deduction	▶ 24							
25	Massachusetts taxable income. Subtract line 24 from the total of lines 22 and 23	25	X						

Complete Schedule E only if Schedule S, line 12 is \$6 million or more. Massachusetts Schedule S is used to determine whether or not an S corporation is liable for an additional excise at the corporate level. If total receipts are \$6 million or more, the corporation must complete and retain with its records a pro forma U.S. Form 1120.

**Schedule CD Corporate Disclosure****2004**

1	Charitable contributions (from U.S. Form 1120, line 19; or U.S. Form 1120-A, line 19)	► 1	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
2	Federal research expense allowed under IRC section 174, plus research credit allowed under IRC section 41 (from U.S. Form 1120 or U.S. Form 1120-A)	► 2	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
3	Accelerated depreciation (ARCS, MARCS, etc.) allowed as a federal deduction:												
a.	Equipment	► 3a	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
b.	Rental housing	► 3b	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
c.	Buildings other than rental housing	► 3c	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
d.	Pollution control facilities	► 3d	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
4	Depreciation included in line 3:												
a.	Equipment	► 4a	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
b.	Rental housing	► 4b	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
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d.	Pollution control facilities	► 4d	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
5	Accelerated depreciation less standard depreciation:												
a.	Equipment. Subtract line 4a from line 3a	5a	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
b.	Rental housing. Subtract line 4b from line 3b	5b	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
c.	Buildings other than rental housing. Subtract line 4c from line 3c	5c	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										
d.	Pollution control facilities. Subtract line 4d from line 3d	5d	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>										

DRAFT AS OF
SEPTEMBER 17, 2004
(SUBJECT TO CHANGE)

An exact copy of U.S. Form 1120S, including all applicable schedules and forms and any other documentation required to substantiate entries made on this return, must be made available to the Department of Revenue upon request. See instructions.



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule S S Corporation Distributive Income**2004****Classification Information**

1	Gross receipts or sales (from U.S. Form 1120S, line 1c)	1							
2	Net gain. Not less than "0" (from U.S. Form 1120S, line 4)	2							
3	Gross income from rental real estate activity (from U.S. Form 8825, line 17)	3							
4	Gross income from other rental activity (from U.S. Form 1120S, Schedule K, line 3a)	4							
5	Interest income (from U.S. Form 1120S, Schedule K, line 4a)	5							
6	Dividend income (from U.S. Form 1120S, Schedule K, line 4b)	6							
7	Royalty income (from U.S. Form 1120S, Schedule K, line 4c)	7							
8	Net short-term capital gain. Not less than "0" (from U.S. Form 1120S, Schedule K, line 4d)	8							
9	Net long-term capital gain. Not less than "0" (from U.S. Form 1120S, Schedule K, line 4e)	9							
10	Net gain under the provisions of Section 1231. Not less than "0" (from U.S. Form 1120S, Schedule K, line 5)	10							
11	Other income. Not less than "0." See instructions	11							
12	Add lines 1 through 11.	12							
13	Receipts from inter-company transactions included in lines 1 through 11. See instructions	13							
14	Total receipts excluding receipts from intercompany transactions. Subtract line 13 from line 12.	14							
15	Total aggregated receipts of all other related entities. See instructions.	15							
16	Add lines 14 and 15	16							
17	Enter amount from line 12 or 16, whichever is applicable	17							

S Corporation Income

18	Ordinary income or loss (from U.S. Form 1120S, line 21)	18							
19	Other income (from U.S. Form 1120S, Schedule K, line 6)	19							
20	Foreign, state or local income, franchise, excise or capital stock taxes deducted from U.S. net income	20							
21	Subtotal. Add lines 18 through 20	21							
22	Other Massachusetts gains or losses. See instructions	22							
23	Subtotal. Subtract line 22 from line 21.	23							
24	Other adjustments, if any. Enclose statement.	24							
25	Massachusetts ordinary income or loss. Add lines 23 and 24	25							
26	Net income or loss from rental real estate activity (from U.S. Form 1120S, Schedule K, line 2)	26							
27	Net income or loss from other rental activity (from U.S. Form 1120S, Schedule K, line 3c)	27							

▼ If showing a loss, mark an X in box at left

28	U.S. portfolio income, excluding capital gains (from U.S. Form 1120S, Schedule K, lines 4a, 4b, 4c and 4f) . . .	28							
29	Interest on U.S. obligations included in line 28.	29							
30	5.3% interest included in line 28. Enclose statement listing sources and amounts.	30							
31	Other interest and dividend income included in line 28. Enclose statement listing sources and amounts.	31							
32	Foreign state and municipal bond interest	32							
33	Royalty income included in line 28.	33							
34	Other income included in line 28	34							
35	Total short-term capital gains included in U.S. Form 1120S, Schedule D, line 4.	35							
			▼ If showing a loss, mark an X in box at left						
36	Total short-term capital losses included in U.S. Form 1120S, Schedule D, line 4.	36	X						
37	Gain on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from U.S. Form 4797).	37							
38	Loss on the sale, exchange or involuntary conversion of property used in a trade or business and held for one year or less (from U.S. Form 4797).	38	X						
39	Net long-term capital gain or loss (from U.S. Form 1120S, Schedule D, line 14).	39	X						
40	Net gain or loss under the provisions of Section 1231 (from U.S. Form 1120S, Schedule K, line 5)	40	X						
41	Other long-term gains or losses. See instructions	41	X						
42	Long-term gains on collectibles included in line 39.	42							
43	Differences and adjustments	43	X						

Resident and Nonresident Reconciliation

S corporations owned by a nonresident shareholder(s) and with income derived from business activities in another state, and which activities provide that state the power to levy an income tax or a franchise tax, complete Schedule F, Income Apportionment, and then lines 44 through 47.

44	Nonresident shareholder value. Enter the nonresident shareholder portion of the amounts from the following Schedule S lines.																	
a. Line 25	44a	<input type="checkbox"/> <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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b. Line 26	44b	<input type="checkbox"/> <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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c. Line 27	44c	<input type="checkbox"/> <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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d. Line 30	44d	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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e. Line 31	44e	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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f. Line 32	44f	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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g. Line 33	44g	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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h. Line 34	44h	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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i. Line 35	44i	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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j. Line 36	44j	<input type="checkbox"/> <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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k. Line 37	44k	<table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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l. Line 38	44l	<input type="checkbox"/> <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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m. Line 39	44m	<input type="checkbox"/> <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td></td><td>.</td><td></td><td></td><td>.</td><td></td><td></td><td></td></tr></table>										.			.			
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FEDERAL IDENTIFICATION NUMBER

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▼ If showing a loss, mark an X in box at left

45	Nonresident taxable income. Multiply the amounts from lines 44a through q by the apportionment percentage in Form 355S, Schedule F, line 5.	
a.	Line 44a times apportionment percentage	45a
b.	Line 44b times apportionment percentage	45b
c.	Line 44c times apportionment percentage	45c
d.	Line 44d times apportionment percentage	45d
e.	Line 44e times apportionment percentage	45e
f.	Line 44f times apportionment percentage	45f
g.	Line 44g times apportionment percentage	45g
h.	Line 44h times apportionment percentage	45h
i.	Line 44i times apportionment percentage	45i
j.	Line 44j times apportionment percentage	45j
k.	Line 44k times apportionment percentage	45k
l.	Line 44l times apportionment percentage	45l
m.	Line 44m times apportionment percentage	45m
n.	Line 44n times apportionment percentage	45n
o.	Line 44o times apportionment percentage	45o
p.	Line 44p times apportionment percentage	45p
q.	Line 44q times apportionment percentage	45q

a. Line 25	46a		
b. Line 26	46b		
c. Line 27	46c		
d. Line 30	46d		
e. Line 31	46e		
f. Line 32	46f		
g. Line 33	46g		
h. Line 34	46h		

**46**

- i. Line 35 46i
- j. Line 36 46j
- k. Line 37 46k
- l. Line 38 46l
- m. Line 39 46m
- n. Line 40 46n
- o. Line 41 46o
- p. Line 42 46p
- q. Line 43 46q

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▼ If showing a loss, mark an X in box at left

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47

Apportioned Massachusetts total. Add the amounts from lines 45a through q to the corresponding amounts from lines 46a through q.

- a. Line 45a plus line 46a 47a
- b. Line 45b plus line 46b 47b
- c. Line 45c plus line 46c 47c
- d. Line 45d plus line 46d 47d
- e. Line 45e plus line 46e 47e
- f. Line 45f plus line 46f 47f
- g. Line 45g plus line 46g 47g
- h. Line 45h plus line 46h 47h
- i. Line 45i plus line 46i 47i
- j. Line 45j plus line 46j 47j
- k. Line 45k plus line 46k 47k
- l. Line 45l plus line 46l 47l
- m. Line 45m plus line 46m 47m
- n. Line 45n plus line 46n 47n
- o. Line 45o plus line 46o 47o
- p. Line 45p plus line 46p 47p
- q. Line 45q plus line 46q 47q

X									
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X									
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DRAFT AS OF
SEPTEMBER 13, 2004
(SUBJECT TO CHANGE)

CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Shareholder Information

List all resident, nonresident and other shareholders.  Fill in if attaching additional page(s) to include additional shareholders.

[illegible]



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule H-2 Credit Recapture**2004**

Complete this schedule if the corporation has Brownfields tax credit, Economic Opportunity Area tax credit, Investment tax credit, Low-Income Housing tax credit, or Vanpool tax credit to recapture.

Complete one Schedule H-2 for each type of credit being recaptured. ☐ Fill in if completing additional Schedules H-2

Type of credit being recaptured. Fill in applicable oval:

☐ Brownfields ☐ Economic Opportunity Area ☐ Investment ☐ Low-Income Housing ☐ Vanpool

Recapture Calculation

1	Amount of original credit	1	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2	Month and year property was placed in service.	2	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3	Total months of useful life	3	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4	Month and year property was disposed of or ceased to be in qualified use	4	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5	Number of months property was in qualified use	5	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
6	Adjusted credit percentage. Divide line 5 by line 3	6	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
7	Recapture percentage. Subtract line 6 from 1.0	7	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
8	Tentative recapture tax. Multiply line 7 by line 1	8	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
9	Portion of original credit not used to offset any tax. See instructions	9	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10	Credit to be recaptured. Subtract line 9 from line 8. Do not enter less than "0." Enter here and on Form 355 or Form 355C, line 4; Form 355S, line 7; or on other appropriate tax form	10	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Instructions

If property is disposed of or ceases to be in qualified use prior to the end of its useful life, the difference between the Investment Tax Credit, Brownfields Credit, Economic Opportunity Area Credit and Low-Income Housing Credit taken and the credit allowed for actual use must be added back in the excise calculation. The recapture amount is additional tax in the year the property is disposed of. The amount of the credit allowed for actual use equals the amount of the original credit multiplied by the months of actual use divided by the total months of useful life.

If the taxpayer's records show that a portion or all of the original credit was never used to offset tax, the recapture tax may be reduced by the unused amount. To substantiate any amount in line 9, taxpayers should complete the Schedule H-2 Worksheet (Recapture Offset Worksheet) or use their own schedule, provided it performs the same calculations as the worksheet. The worksheet is available by visiting the DOR's website at www.mass.gov/dor by calling the Customer Service Bureau at (617) 887-MDOR.

For further information refer to DOR Directive 89-7.



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule H Investment Tax Credit and Carryovers**2004**

Type of corporation. Fill in one oval:

- ☐ Classified manufacturer ☐ Agriculture ☐ Commercial fishing
☐ Research and development (R&D). If R&D corporation, complete line 1.

1 R&D expenditures. If a foreign R&D corporation, enter only receipts assignable to Massachusetts.

- a. Total receipts 1a
- b. Receipts from R&D 1b
- c. Percent of revenues derived from R&D. Divide line 1b by line 1a 1c
- d. Amount in line 1b related to property capable of manufacturing in Massachusetts. 1d
- e. Percent of revenues derived from property capable of manufacturing in Massachusetts. Divide line 1d by line 1b 1e
- f. Describe R&D category _____

Calculation of Current-Year Investment Tax Credit**2** List all qualified depreciable property (owned or leased) located in Massachusetts. Enclose additional sheets if necessary.

Description	Date acquired	Life or recovery (in years)	Cost of purchased property or eligible leased property
a.			
b.			
c.			
d.			
e.			

- 3** Total cost of eligible properties. Add lines 2a through 2e. 3
- 4** U.S. investment tax credit taken 4
- 5** U.S. basis reduction taken, if any 5
- 6** Total U.S. investment tax credit and U.S. basis reduction. Add lines 4 and 5 6
- 7** Amount eligible for Massachusetts Investment Tax Credit (ITC). Subtract line 6 from line 3. 7
- 8** Available current-year ITC. Multiply line 7 by .03 8

Credits Used and Unused in Current Year

- 9** Total excise due for determining allowable credits (from Form 355, line 5; Form 355S, line 8; or Form 355C, Schedule E, line 29). 9
- 10** Credits available for use in current year. If line 9 is at least \$912, enter 50% of line 9. If line 9 is less than \$912, subtract \$456 and enter the result. Do not enter less than "0" 10
- 11** a. 2004 Vanpool Credit (from 2004 Schedule VP, line 4) 11a
- b. Credits used 11b
- c. Credits unused 11c
- d. Unlimited carryover 11d



12	a. 2001 ITC carryover (from 2003 Schedule H, line 13e)	▶ 12a
	b. Credits used	12b
	c. Credits unused	12c
	d. Unlimited carryover	12d
13	a. 2002 ITC carryover (from 2003 Schedule H, line 14e)	▶ 13a
	b. Credits used	13b
	c. Credits unused	13c
	d. Unlimited carryover	13d
	e. Limited carryover	13e
14	a. 2003 ITC carryover (from 2003 Schedule H, line 15e)	▶ 14a
	b. Credits used	14b
	c. Credits unused	14c
	d. Unlimited carryover	14d
	e. Limited carryover	14e
15	a. 2004 ITC (from 2004 Schedule H, line 8)	▶ 15a
	b. Credits used	15b
	c. Credits unused	15c
	d. Unlimited carryover	15d
	e. Limited carryover	15e
16	a. 1994 Economic Opportunity Area Credit (EOAC) carryover (from 2003 Schedule H, line 17e)	▶ 16a
	b. Credits used	16b
	c. Credits unused	16c
	d. Unlimited carryover	16d
17	a. 1995 EOAC carryover (from 2003 Schedule H, line 18e)	▶ 17a
	b. Credits used	17b
	c. Credits unused	17c
	d. Unlimited carryover	17d
	e. Limited carryover	17e
18	a. 1996 EOAC carryover (from 2003 Schedule H, line 19e)	▶ 18a
	b. Credits used	18b
	c. Credits unused	18c
	d. Unlimited carryover	18d
	e. Limited carryover	18e



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- 19** a. 1997 EOAC carryover (from 2003 Schedule H, line 20e) ▶ 19a
- b. Credits used 19b
- c. Credits unused 19c
- d. Unlimited carryover 19d
- e. Limited carryover 19e
- 20** a. 1998 EOAC carryover (from 2003 Schedule H, line 21e) ▶ 20a
- b. Credits used 20b
- c. Credits unused 20c
- d. Unlimited carryover 20d
- e. Limited carryover 20e
- 21** a. 1999 EOAC carryover (from 2003 Schedule H, line 22e) ▶ 21a
- b. Credits used 21b
- c. Credits unused 21c
- d. Unlimited carryover 21d
- e. Limited carryover 21e
- 22** a. 2000 EOAC carryover (from 2003 Schedule H, line 23e) ▶ 22a
- b. Credits used 22b
- c. Credits unused 22c
- d. Unlimited carryover 22d
- e. Limited carryover 22e
- 23** a. 2001 EOAC carryover (from 2003 Schedule H, line 24e) ▶ 23a
- b. Credits used 23b
- c. Credits unused 23c
- d. Unlimited carryover 23d
- e. Limited carryover 23e
- 24** a. 2002 EOAC carryover (from 2003 Schedule H, line 25e) ▶ 24a
- b. Credits used 24b
- c. Credits unused 24c
- d. Unlimited carryover 24d
- e. Limited carryover 24e

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- 25** a. 2003 EOAC carryover (from 2003 Schedule H, line 26e) ▶ 25a
- b. Credits used 25b
- c. Credits unused 25c
- d. Unlimited carryover 25d
- e. Limited carryover 25e
- 26** a. 2004 EOAC (from 2004 Schedule EOAC, line 9) ▶ 26a
- b. Credits used 26b
- c. Credits unused 26c
- d. Unlimited carryover 26d
- e. Limited carryover 26e
- 27** a. Unlimited credit carryover from prior years (from 2003 Schedule H, line 43c) ▶ 27a
- b. Credits used 27b
- c. Credits unused 27c
- d. Unlimited carryover 27d
- 28** a. Total credits available. Add row a of lines 11 through 27 28a
- b. Total credits used. Add row b of lines 11 through 27 28b
- c. Total credits unused. Add row c of lines 11 through 27 28c
- d. Total unlimited carryover. Add row d of lines 11 through 27 28d

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Carryovers to Future Years

- 29** Maximum amount of credits eligible for conversion to unlimited carryover status. Enter 50% of 2004 Schedule H, line 9 29
- 30** 2002 carryover (from 2004 Schedule H, line 13e) 30
- 31** 2003 carryover (from 2004 Schedule H, line 14e) 31
- 32** 2004 carryover (from 2004 Schedule H, line 15e) 32
- 33** 1995 carryover (from 2004 Schedule H, line 17e) 33
- 34** 1996 carryover (from 2004 Schedule H, line 18e) 34
- 35** 1997 carryover (from 2004 Schedule H, line 19e) 35
- 36** 1998 carryover (from 2004 Schedule H, line 20e) 36
- 37** 1999 carryover (from 2004 Schedule H, line 21e) 37
- 38** 2000 carryover (from 2004 Schedule H, line 22e) 38
- 39** 2001 carryover (from 2004 Schedule H, line 23e) 39
- 40** 2002 carryover (from 2004 Schedule H, line 24e) 40
- 41** 2003 carryover (from 2004 Schedule H, line 25e) 41
- 42** 2004 carryover (from 2004 Schedule H, line 26e) 42



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

43 Unlimited carryover:**a.** Carryovers converted to unlimited status. Add row d of lines 11 through 26. 43a**b.** Unlimited carryovers from prior years (from 2004 Schedule H, line 27d) 43b**c.** Total unlimited credits available. Add lines 43a and 43b 43c**44** Total credits carried over. Add lines 30 through 42, plus line 43c ► 44**Reconciliation of Capital Assets in Massachusetts****45** Capital assets at beginning of year:**a.** Property with depreciable life under four years. 45a**b.** Qualifying property. 45b**c.** Land 45c**d.** Total capital assets at beginning of tax year. Add lines 45a through 45c 45d**46** Purchases and leases made during year:**a.** Property with depreciable life under four years. 46a**b.** Qualifying property. If different from line 3 of 2003 Schedule H, enclose explanation 46b**c.** Land 46c**d.** Total purchases and leases made during year. Add lines 46a through 46c 46d**47** Other acquisitions made during year:**a.** Property with depreciable life under four years. 47a**b.** Qualifying property. 47b**c.** Land 47c**d.** Total other acquisitions made during year. Add lines 47a through 47c 47d**48** Sales, exchanges and retirements made during year:**a.** Property with depreciable life under four years. 48a**b.** Qualifying property. 48b**c.** Land 48c**d.** Total sales, exchanges and retirements made during year. Add lines 48a through 48c ► 48d**49** Depreciation taken during year:**a.** Property with depreciable life under four years. 49a**b.** Qualifying property. 49b**c.** Total depreciation taken during year. Add lines 49a and 49b. 49c

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PRINT IN BLACK INK

Ovals must be filled in completely. Example:

Schedule RC Research Credit**2004**

CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER (FID)

Attach all copies of U.S. Form 6765. See instructions.

Fill in all applicable oval(s):

- ▶ ☐ Massachusetts gross receipts are being used to compute the fixed base and average annual receipts.
- ☐ Federal gross receipts are being used to compute the fixed base and average annual receipts.
- ▶ ☐ Corporation is electing to calculate the credit separately for qualified defense-related activities. If making this election, file two schedule RCs and fill in one of the following ovals: ☐ Defense-related activities ☐ Other qualified activities

Massachusetts Basic Research Payments

- 1** Basic research payments to qualified organizations. ▶ 1
- 2** Base period amount ▶ 2
- 3** Incremental payments. Subtract line 2 from line 1. Not less than "0" 3
- 4** Tentative credit for basic research payments. Multiply line 3 by .15 4

Massachusetts Qualified Research Expenses

- 5** Wages for qualified service 5
- 6** Cost of supplies 6
- 7** Payments for computer use 7
- 8** 65% of contract expenses 8
- 9** Total qualified research expenses. Add lines 5 through 8 ▶ 9
- 10** Fixed base percentage. Not more than .16. See instructions 10
- 11** Average annual gross receipts 11
- 12** Base amount. Multiply line 11 by line 10. Not less than 50% of line 9 12
- 13** Incremental qualified research expenses. Subtract line 12 from line 9 13
- 14** Tentative research credit for qualified research expenses. Multiply line 13 by .10 ▶ 14

Research Credit Limitations

- 15** Total current tentative research credit. Add lines 4 and 14 15
- 16** Unused carryover credit (from 2003 Schedule RC, line 35). ▶ 16
- 17** Total available credits. Add lines 15 and 16 ▶ 17
- 18** Excise before credits (from 2004 Form 355, Excise Calculation, line 5, or Form 355S, Excise Calculation, line 8). If less than or equal to \$25,000, skip to line 22 18
- 19** Excise subject to 75% limitation. If line 18 is greater than \$25,000, subtract \$25,000 from line 18 19
- 20** 75% limitation. Multiply line 19 by .75 20
- 21** Excise not subject to 75% limitation. Enter \$25,000. See instructions 21
- 22** Subtotal excise. Enter line 18 or the total of lines 20 and 21, whichever applies. 22
- 23** Minimum excise limitations. See instructions. 23
- 24** Maximum allowable research credit. Subtract line 23 from line 22. 24



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2004

Massachusetts

Department of

Revenue

Schedule BC
Brownfields Credit

Name	Federal ID or Social Security number
------	--------------------------------------

General Information

1 Type of business for which property is being used (check only one):

☐ Sole proprietorship ☐ Partnership ☐ S corporation ☐ Corporate trust ☐ Corporation☐ Corporation included in a combined return (enter name and Federal Identification number of principal reporting company):☐ Other (specify) _____

2 Type of return this schedule is filed with _____

3 Location of project _____

4 Date of filing of Response Action Outcome Statement or Remedy Operation Status Submittal with DEP (enclose copy) _____

Allowable Tax Credit Percentage

5 Enter .25 if cleanup results in Activity and Use Limitation (AUL), or .5 if cleanup results in unlimited use 5

Computation of Current Year Brownfields Credit

6 Briefly, but accurately, describe purchases of qualifying property for the Brownfields Credit. Complete details must be available upon request.	Date acquired	Assessed value prior to remediation	Cost of cleanup (after July 31, 1998)

7 Total costs. The cleanup costs must exceed 15% of the assessed value of the cleanup area to claim the credit.	7	<input type="text"/>
8 Current year Brownfields Credit. Multiply line 7 (cost of cleanup) by .25 or .5, whichever applies.	8	<input type="text"/>
9 Brownfields available this year. Add line 8 and prior year's unused Brownfields (from 2003 Schedule BC, line 18c)	9	<input type="text"/>
10 Credit available for use in current year by corporate taxpayers. See instructions. Corporate taxpayers enter this amount on Form 355, line 13; Form 355C, line 13; or Form 355S, line 15.	10	<input type="text"/>

Taxpayers Subject to Tax Under MGL Ch. 62

11 Total tax for determining allowable credit. Form 1, line 29; Form 1-NR/PY, line 33; Form 2, line 42; Form 3F, line 24	11	<input type="text"/>
12 Total of Limited Income Credit, Credit for Taxes Paid to Other Jurisdictions, Lead Paint Credit, Energy Credit, Full Employment Credit, Equal Opportunity Area Credit, Low-Income Housing Credit and Septic Credit, if any.	12	<input type="text"/>
13 Subtract line 12 from line 11. Enter result. Not less than "0".	13	<input type="text"/>
14 Enter 50% of line 13 here.	14	<input type="text"/>
15 Brownfields Credit available this year. Enter amount from line 9	15	<input type="text"/>
16 Brownfields Credit allowable for use in current year. If line 14 is greater than or equal to line 15, enter amount from line 15. If line 14 is less than line 15, enter amount from line 14	16	<input type="text"/>
Enter amount from line 16 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 43; or Form 3F, line 28.		

Carryover to Future Years

17 Maximum amount of credits for conversion to five-year carryover status:

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available Subtract col. b from col. a	
			Amount	For
2000	(2003 Sch. BC, line 17) _____	_____	_____	2005
2001	(2003 Sch. BC, line 17) _____	_____	_____	2005–2006
2002	(2003 Sch. BC, line 17) _____	_____	_____	2005–2007
2003	(2003 Sch. BC, line 17) _____	_____	_____	2005–2008
2004	(2004 Sch. BC, line 8) _____	_____	_____	2005–2009
18 Totals	_____	_____	_____	



Schedule EOAC Economic Opportunity Area Credit

2004

Massachusetts
Department of
Revenue

Name	Federal ID or Social Security number
------	--------------------------------------

General Information

1 Type of business for which property is being used (check only one):

- ☐ Sole proprietorship ☐ Partnership ☐ S corporation ☐ Corporate trust ☐ Financial institution
☐ Insurance company ☐ Corporation ☐ Trust ☐ Public service corporation
☐ Corporation included in a combined return (enter name and Federal Identification number of principal reporting company):

☐ Other (specify) _____

2 Type of return this schedule is filed with _____

3 Location of certified project _____

4 Date project was certified by EACC (enclose a copy of certification from EACC) _____

Computation of 5% Current Year Economic Opportunity Area Credit (EOAC)

5 Briefly, but accurately, describe purchases of qualifying property for the 5% EOAC. Complete details must be available upon request.	Date acquired	Life or recovery (years)	Cost (if not using cost, explain on separate sheet)
6 Total cost of property.			6
7 U.S. basis reduction, if any.			7
8 Total cost of property after reduction. <i>Subtract line 7 from line 6</i>			8
9 Available current-year EOAC. <i>Multiply line 8 by .05</i>			9

Taxpayers subject to taxation under MGL Ch. 63: Corporations filing Form 355, 355C, or 355S must enter this amount in Schedule H, line 26a. All other taxpayers subject to tax under MGL Ch. 63 must enter this amount on the appropriate line on their tax return.

Taxpayers subject to taxation under MGL Ch. 62 must complete lines 10 through 17.

Taxpayers Subject to Tax Under MGL Ch. 62

10 Total tax for determining allowable credit. Form 1, line 27; Form 1-NR/PY, line 31; Form 2, line 42, Form 3F, line 24.	10	
11 Total of Limited Income Credit, Credit for Taxes Paid to Other Jurisdictions, Lead Paint Credit, Energy Credit, FEC, Septic Credit, Brownfields Credit and Low-Income Housing Credit, if any.	11	
12 <i>Subtract line 11 from line 10. Enter result. Not less than "0".</i>	12	
13 Enter 50% of line 12 here.	13	
14 EOAC available this year. <i>Add line 9 and prior years unused EOAC (from 2003 Schedule EOAC, line 17, column c)</i>	14	
15 EOAC allowable for use in current year. If line 13 is greater than or equal to line 14, enter line 14. If line 13 is less than line 14 enter line 13.	15	

Enter amount from line 15 on Form 1, Schedule Z; Form 1-NR/PY, Schedule Z; Form 2, line 43; or Form 3F, line 26.

Carryover to Future Years

16 Maximum amount of credits for conversion to ten-year carryover status:

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available <i>Subtract col. b from col. a</i>	
			Amount	For
1995	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005
1996	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2006
1997	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2007
1998	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2008
1999	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2009
2000	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2010
2001	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2011
2002	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2012
2003	(2003 Sch. EOAC, line 16, col. c) _____	_____	_____	2005–2013
2004	(2004 Sch. EOAC, line 9) _____	_____	_____	2005–2014
17 Totals	_____	_____	_____	



2004

Massachusetts

Department of

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Schedule FEC Full Employment Credit

Name

Federal ID or Social Security number

General Information

1 Type of business for which credit is being claimed (check only one):

- ☐ Sole proprietorship ☐ Partnership ☐ S corporation ☐ Corporate trust ☐ Financial institution
☐ Insurance company ☐ Corporation ☐ Trust ☐ Public service corporation
☐ Corporation included in a combined return (enter name and Federal ID number of principal reporting company):

☐ Other (specify):**2** S Corporations only (check applicable box): (a) ☐ Corporation claiming credit (b) ☐ Shareholders claiming credit**3** Type of return this schedule is filed with:

Computation of the Full Employment Credit. Use additional paper, if necessary.

	a. Social Security number(s)	b. Date eligible	c. Number of months of eligible employment (not to exceed 12)	d. Number of months eligible (col. c) during 2003
4 Name(s) of qualified employee(s) that participate in the Full Employment Program				
5 Total number of months of eligible employment			5	
6 Available current-year Full Employment Credit (FEC). Multiply line 5 by \$100			6	

Taxpayers Subject to Tax Under MGL Ch. 62

7 Total tax for determining allowable credit. Form 1, line 29; Form 1-NR/PY, line 31; Form 2, line 42; Form 3F, line 24	7	
8 Total of Limited Income Credit, Credit for Taxes Paid to Other Jurisdictions, Energy Credit, Lead Paint Credit, Economic Opportunity Area Credit, Septic Credit, Low Income Housing Credit and Brownfields Credit	8	
9 Subtract line 8 from line 7. Enter result. Not less than "0"	9	
10 FEC available this year. Add line 6 and prior years unused FEC (from 2003 Schedule FEC, line 24)	10	
11 Credit allowable for use in current year. If line 9 is less than line 10, enter amount from line 9; otherwise, enter amount from line 10. Also enter in Form 1 or Form 1-NR/PY, Schedule Z, line 11; Form 2, line 43; or Form 3F, line 27	11	

Taxpayers Subject to Tax Under MGL Ch. 63

12 Total corporate excise. Form 355, Computation of Excise, line 5; Form 355S, Computation of Excise, line 8; or Form 355C, Schedule E, line 28; or Form 355SC, line 7	12	
13 Enter the amount from Schedule H, line 28, column b	13	
14 Enter the amount from either Schedule RC, line 27 or Schedule RC-A, line 30	14	
15 Enter the amount from Schedule HM, line 15	15	
16 Enter the amount of Low-Income Housing Credit	16	
17 Add lines 13 through 16. Enter result.	17	
18 Subtract line 17 from line 12. Enter result.	18	
19 Minimum corporate excise	19	456
20 Maximum allowable FEC. Subtract line 19 from line 18. If "0" or less, you do not qualify for a credit this year, enter "0" in line 22.	20	
21 FEC available this year. Add line 6 and prior year's unused FEC (from 2003 Schedule FEC, line 24)	21	
22 Enter the smaller of line 20 or line 21 here and on the Computation of Excise	22	

Carryover to Future Years

23 Complete only if line 10 is more than line 11 or line 20 is more than line 22.

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available Subtract col. b from col. a	
			Amount	For
2000	(2003 Sch. FEC, line 24)			2005
2001	(2003 Sch. FEC, line 24)			2005-2006
2002	(2003 Sch. FEC, line 24)			2005-2007
2003	(2003 Sch. FEC, line 24)			2005-2008
2004	(2004 Sch. FEC, line 6)			2005-2009
24 Totals				

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available <i>Subtract column b from column a</i>	
			Amount	For
2000	(2003 Sch. HM, line 16, col. c) _____	_____	_____	2005
2001	(2004 Sch. HM, line 16, col. c) _____	_____	_____	2005–2006
2002	(2004 Sch. HM, line 16, col. c) _____	_____	_____	2005–2007
2003	(2004 Sch. HM, line 16, col. c) _____	_____	_____	2005–2008
2004	(2004 Sch. HM, line 2) _____	_____	_____	2005–2009
17 Totals	_____	_____	_____	



Certificate LIHC Low-Income Housing Credit Allotment

2003
Massachusetts
Department of
Revenue

For calendar year 2003 or taxable year beginning

and ending

Name of recipient	Social Security or Federal Identification number		
Street address	City/Town	State	Zip
Name of project	Building identification number		
Street address	City/Town	State	Zip
Name of project owner	Federal Identification number		
Street address	City/Town	State	Zip

Taxpayer's Credit Share

This statement is issued by the owner of a project that is eligible to claim the Massachusetts Low-Income Housing Credit (LIHC) to each recipient to whom the owner has allocated a portion of the LIHC in accordance with the organizational documents governing the owner. The recipient should enter the amount of the credit being received from the project on the LIHC line of the appropriate tax return. Retain this statement with your records.

Allotment Information

1 Amount of allotted credit 1

2 Date of filing of Election of Early Tax Credit (if applicable) _____



2004

**Massachusetts
Department of
Revenue**

Schedule VP Vanpool Credit

Name

Federal Identification number

Eligible costs. Briefly describe purchased or leased qualifying shuttle vans. Include make, model and registration number. Additional details must be available upon request. Use additional sheet if necessary.

	Costs	
	a. Purchased	b. Leased
1		
2 Totals. Add all costs for each column	2	
3 Total costs. Add line 2, columns a and b		3
4 Allowable Vanpool Credit. Enter 30% of line 3 here and on Schedule H, line 11a.		4

General Information

What Is the Vanpool Credit?

The Vanpool Credit is a tax credit equal to 30% of the total purchase or lease costs for shuttle vans used in an employer-sponsored ridesharing program. The credit is available for tax years ending on or after December 31, 1988.

Who Is Eligible to Take the Vanpool Credit?

Any foreign or domestic corporation which purchases or leases shuttle vans as part of a ridesharing program in Massachusetts is eligible for the Vanpool Credit. The credit does not apply to the purchase or lease costs of vehicles which would be required even if a ridesharing program did not exist. Qualifying shuttle vans must be used for transporting employees or students from their homes or public transportation facilities to a place of employment or to a campus in the Commonwealth. To qualify, a shuttle van must be used by the corporation in Massachusetts and situated in the Commonwealth on the last day of the corporation's taxable year.

Who Is an Employee?

For purposes of the Vanpool Credit, an employee is an individual who:

- Works more than 8 paid hours per week for an employer; or
- Is a full-time student at a college, university or other post-secondary educational institution and who commutes between home and campus on a regular basis.

What Is a Shuttle Van?

A shuttle van is a highway vehicle which meets all of the following requirements:

- It has a seating capacity of **at least** seven adults, including the driver;
- At least 80% of its mileage can be reasonably expected to be from the transportation of students and employees; and
- At least half of its adult seating capacity is occupied on average.

Are All Costs Eligible for the Credit?

No. Only the costs of purchasing or leasing shuttle vans are eligible. The credit **does not** apply to the cost of insurance, maintenance, fuel, drivers' salaries or other operating expenses.

Is Depreciation Allowed on Shuttle Vans?

Yes. A depreciation deduction may be taken on any qualifying vehicle. However, the basis upon which the depreciation is taken must be reduced by the amount of the allowable credit.

When Must a Corporation Take the Vanpool Credit?

For purchased vehicles, the Vanpool Credit may only be taken in the taxable year in which the qualifying vehicles were acquired and placed in service. For qualifying leased vehicles, the credit may be taken in those taxable years in which a lease or contract payment is incurred.

Line Instructions

Line 1

Enter in line 1 the make, model and registration number of the qualifying shuttle van(s). For purchased vans, enter in column a the total purchase cost. For leased vans, enter in column b the taxable year's lease or contract payment costs.

Line 2

Total all taxable year qualifying costs for each column.

Line 3

Total all qualifying costs for the taxable year.

Line 4

Calculate your allowable Vanpool Credit for the taxable year here and enter in line 11a of Schedule H, Investment Tax Credits and Carryovers.

Note: Under Massachusetts law, tax credits may not offset more than 50% of a corporation's excise. However, any credits not utilized as a result of this provision may be carried over for an unlimited number of years. Schedule H must be completed to reconcile the Vanpool Credit with your other credits and to account for any possible carryovers.



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule A-1 Investments in Subsidiaries**2004**

	A. Name of subsidiary	B. Federal Identification number	C. Amount of investment	D. Accounting method Cost Equity
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29	Total investments			

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SEPTEMBER 17, 2004
(SUBJECT TO CHANGE)



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule A-2 Intercompany Receivables**2004**

	A. Name of subsidiary	B. Federal Identification number	C. Amount of receivables
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29	Total intercompany receivables	29	

DRAFT AS OF
SEPTEMBER 17, 2004
(SUBJECT TO CHANGE)



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule A-3 Intercompany Payables**2004**

	A. Name of subsidiary	B. Federal Identification number	C. Amount of payables
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
26			
27			
28			
29	Total intercompany payables		29

DRAFT AS OF
SEPTEMBER 17, 2004
(SUBJECT TO CHANGE)



TAXPAYER IDENTIFICATION NUMBER

--	--	--	--	--	--	--	--	--	--

Part 2. New Corporation Net Operating Loss

Do not complete Part 2 if taking the deduction in Part 1. See instructions.

- 9** a. 2000 taxable income (from 2000 Schedule E, line 12) 9a
- b. 2000 Massachusetts loss 9b
- c. 2000 general NOL carryover 9c
- d. 2000 U.S. carryback to prior years 9d
- e. 2000 loss used 9e
- f. 2000 loss available. Subtract total of lines 9d and 9e from total of lines 9b and 9c 9f
- 10** a. 2001 taxable income (from 2001 Schedule E, line 12) 10a
- b. 2001 Massachusetts loss 10b
- c. 2001 general NOL carryover 10c
- d. 2001 U.S. carryback to prior years 10d
- e. 2001 loss used 10e
- f. 2001 loss available. Subtract total of lines 10d and 10e from total of lines 10b and 10c 10f
- 11** a. 2002 taxable income (from 2002 Schedule E, line 15) 11a
- b. 2002 Massachusetts loss 11b
- c. 2002 general NOL carryover 11c
- d. 2002 U.S. carryback to prior years 11d
- e. 2002 loss used 11e
- f. 2002 loss available. Subtract total of lines 11d and 11e from total of lines 11b and 11c 11f
- 12** a. 2003 taxable income (from 2003 Schedule E, line 15) 12a
- b. 2003 Massachusetts loss 12b
- c. 2003 general NOL carryover 12c
- d. 2003 U.S. carryback to prior years 12d
- e. 2003 loss previously used. You must enter "0" 12e
- f. 2003 loss available. Subtract total of lines 12d and 12e from total of lines 12b and 12c 12f
- 13** Loss carryover deduction. Add row f of lines 9 through 12. Enter here and in Schedule E, line 19. 13

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OCTOBER 20, 2004
(SUBJECT TO CHANGE)



CORPORATION NAME

FEDERAL IDENTIFICATION NUMBER

Schedule F Income Apportionment**2004**

Fill in applicable oval(s):

- ☐ Section 38 manufacturer ☐ Mutual fund service corporation reporting sales of mutual funds only
☐ Mutual fund service corporation reporting sales of non-mutual funds ☐ Other
☐ Enclosing additional copies of Schedule F for additional members of a combined group

Business Locations Outside of Massachusetts

City and state	Specify whether factory, sales office, warehouse, construction site, etc.	Accepts orders	Registered to do business in state	Files returns in state
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Apportionment Factors

- 1** Tangible property:
- a. Property owned (averaged) ☐ Massachusetts ☐ Worldwide ☐
- b. Property rented (capitalized) ☐ Massachusetts ☐ Worldwide ☐
- c. Total property owned and rented ☐ Massachusetts ☐ Worldwide ☐
- d. Tangible property apportionment percentage. Divide (from line 1c) Massachusetts total by worldwide total . . . 1d ☐
- 2** Payroll:
- a. Total payroll ☐ Massachusetts ☐ Worldwide ☐
- b. Payroll apportionment percentage. Divide (from line 2a) Massachusetts total payroll by worldwide total payroll 2b ☐
- 3** Sales:
- a. Tangibles ☐ Massachusetts ☐ Worldwide ☐
- b. Services (including mutual fund sales) . . . ☐ Massachusetts ☐ Worldwide ☐
- c. Rents and royalties ☐ Massachusetts ☐ Worldwide ☐
- d. Other ☐ Massachusetts ☐ Worldwide ☐
- e. Total sales ☐ Massachusetts ☐ Worldwide ☐
- f. Sales apportionment percentage. Mutual fund corporations reporting mutual fund sales, divide (from line 3b) Massachusetts mutual fund sales by total mutual fund sales. All other corporations, including mutual fund service corporations reporting non-mutual fund sales, divide (from line 3e) Massachusetts total sales by worldwide total sales 3f ☐
- 4** Apportionment percentage. All corporations must complete this line. Section 38 manufacturers or mutual fund service corporations reporting mutual fund sales, enter the amount from line 3f. All other corporations, including mutual fund service corporations reporting non-mutual fund sales, enter the total of (line 3f × 2) plus line 1d plus line 2b. 4 ☐
- 5** Massachusetts apportionment percentage. If the taxpayer is a Section 38 manufacturer, enter the amount from line 4 here and in Schedule E, line 19. Mutual fund service corporations for mutual fund sales, enter the amount from line 4 here and in line 19 of the Schedule E for mutual fund sales only. All other corporations including mutual fund service corporations reporting non-mutual fund sales, divide line 4 by 4, enter result here and in Schedule E, line 19 (for mutual fund service corporations, the Schedule E for non-mutual fund sales). See instructions ☐ 5 ☐



Schedule ABI

Exceptions to the Add Back of Interest Expenses

Rev. 11/04

Massachusetts
Department of
Revenue

Enclose this schedule to claim an exception to the requirement under MGL, Ch. 63, sec. 31J and 31K to add back to net income related member interest expenses and costs. Complete the relevant exception(s) for each related member as to which an exception is being claimed.

Taxpayer Information

Taxpayer name	Federal Identification number	For tax year beginning	Ending
Related member reporting the income	Federal Identification number	For tax year beginning	Ending
Name of jurisdiction(s) in which related member is taxed on net income (if applicable)			
Principal reporting corporation (if applicable)	Federal Identification number	For tax year beginning	Ending

Part 1

Exception 1

Full exception for interest paid, accrued, or incurred to a related entity that is taxed at a similar rate.

Complete only if the related entity's net income was taxed in more than one jurisdiction.

1	Amount of deductible interest claimed by taxpayer	1	
2	Actual tax rate applied to taxpayer (from Forms 355, 355C, 355S, 63FI, or P.S.1)	2	
3	Enter the tax rate applied to the interest from the related entity's return.	3	
4	Related entity's apportionment percentage from the return. If an apportionment formula was not used, enter "1".	4	
5	Multiply line 3 by line 4	5	
6	Subtract line 5 from line 2.	6	
7	Exception amount. If line 6 is equal to or less than .03, enter the amount from line 1 here and in Total Exceptions, line 1. Otherwise, enter "0"	7	

Exception 2

Partial exception for interest paid, accrued, or incurred to a related corporation that is filing in Massachusetts.

Do not complete this section if you have claimed Exception 1 as to the same interest add back. Complete this section only if the interest was reported as income by the related corporation on Forms 355, 355C, 355S, 63FI, or P.S.1 and, if applicable, the tax reported by the related corporation on that return exceeded the minimum tax.

1	Amount of deductible interest claimed by taxpayer	1	
2	Amount of the interest income reported by related corporation (from Forms 355, 355C, 355S, 63FI, or P.S.1)	2	
3	Net income of related corporation (from Forms 355, 355C, 355S, 63FI, or P.S.1)	3	
4	Enter the smaller number from line 2 or 3	4	
5	Taxpayer's apportionment percentage from the apportionment schedule, line 5. Enter "1" if an apportionment schedule was not filed	5	
6	Related corporation's apportionment percentage from the apportionment schedule, line 5. Enter "1" if an apportionment schedule was not filed	6	
7	Multiply line 1 by line 5	7	
8	Multiply line 4 by line 6	8	
9	Tax rate applied to taxpayer (from Forms 355, 355C, 355S, 63FI, or P.S.1)	9	
10	Tax rate applied to related corporation (from Forms 355, 355C, 355S, 63FI, or P.S.1)	10	
11	Multiply line 7 by line 9	11	
12	Multiply line 8 by line 10	12	
13	Exception amount. If line 12 is greater than line 11, enter the amount from line 1. Otherwise, divide line 12 by line 9 and divide the result by line 5. Enter the result here and in Total Exceptions, line 2	13	

Exception 3

Partial exception for the interest paid, accrued, or incurred to a related individual that is filing in Massachusetts.

Complete this section only if the interest is or will be reported as income by the related individual. Do not complete this section if you have claimed Exception 1 as to the same interest add back.

1	Amount of deductible interest claimed by taxpayer	1	
2	Amount of the interest income reported by the related individual	2	
3	Net income of related individual	3	
4	Enter the smaller of lines 2 or 3	4	
5	Taxpayer's apportionment percentage from the apportionment schedule, line 5. Enter "1" if an apportionment schedule was not filed	5	
6	Multiply line 1 by line 5	6	
7	Tax rate applied to taxpayer (from Forms 355, 355C, 355S, 63FI, or P.S.1).	7	
8	Tax rate applied to related individual	8	
9	Multiply line 6 by line 7	9	
10	Multiply line 4 by line 8.	10	
11	Exception amount. If line 10 is greater than line 9, enter the amount from line 1. Otherwise, divide the amount in line 10 by line 7 and divide the result by line 5. Enter result here and in Total Exceptions, line 3	11	

Exception 4

Statement in support of add back exception claim.

The taxpayer must enclose with this schedule a statement referencing the amount of the claimed add back exception and information sufficient to support the claim. The statement must refer to and specifically identify all relevant documentation. This documentation must be retained by the taxpayer and be made available to the Commissioner upon request.

Check the basis for this claim:

- ☐ Double taxation
- ☐ Business purpose/economic substance
- ☐ Section 31K foreign treaty exception

Total Exceptions

1	Enter amount from Exception 1, line 7	1	
2	Enter amount from Exception 2, line 13.	2	
3	Enter amount from Exception 3, line 11	3	
4	Enter amount from Exception 4	4	
5	Total add back exception. Add lines 1 through 4. Enter here and on appropriate corporate return	5	



Schedule ABIE

Exceptions to the Add Back of Intangible Expenses

Rev. 11/04

Massachusetts
Department of
Revenue

Enclose this schedule to claim an exception to the requirement under MGL, Ch. 63, sec. 31I and 31K to add back to net income related member intangible expenses and costs. Complete the relevant exception(s) for each related member as to which an exception is being claimed.

Taxpayer Information

Taxpayer name	Federal Identification number	For tax year beginning	Ending
Related member reporting the income	Federal Identification number	For tax year beginning	Ending
Name of jurisdiction(s) in which related member is taxed on net income (if applicable)			
Principal reporting corporation (if applicable)	Federal Identification number	For tax year beginning	Ending

Part 1

Exception 1

Full exception for intangible expense or cost paid, accrued, or incurred to a related entity that is taxed at a similar rate.

Complete only if the related entity's net income was taxed in more than one jurisdiction.

1	Amount of deductible intangible expense or cost claimed by taxpayer.	1	
2	Actual tax rate applied to taxpayer (from Forms 355, 355C, 355S, 63FI, or P.S.1)	2	
3	Enter the tax rate applied to the intangible expense or cost from the related entity's return	3	
4	Related entity's apportionment percentage from the return. If an apportionment formula was not used, enter "1"	4	
5	Multiply line 3 by line 4	5	
6	Subtract line 5 from line 2.	6	
7	Exception amount. If line 6 is equal to or less than .03, enter the amount from line 1 here and in Total Exceptions, line 1. Otherwise, enter "0"	7	

Exception 2

Partial exception for intangible expense or cost paid, accrued, or incurred to a related corporation that is filing in Massachusetts.

Do not complete this section if you have claimed Exception 1 as to the same intangible expense or cost add back. Complete this section only if the intangible expense or cost was reported as income by the related corporation on Forms 355, 355C, 355S, 63FI, or P.S.1 and, if applicable, the tax reported by the related corporation on that return exceeded the minimum tax.

1	Amount of deductible intangible expense or cost claimed by taxpayer.	1	
2	Amount of the intangible income reported by related corporation (from Forms 355, 355C, 355S, 63FI, or P.S.1)	2	
3	Net income of related corporation (from Forms 355, 355C, 355S, 63FI, or P.S.1)	3	
4	Enter the smaller number from line 2 or 3	4	
5	Taxpayer's apportionment percentage from the apportionment schedule, line 5. Enter "1" if an apportionment schedule was not filed	5	
6	Related corporation's apportionment percentage from the apportionment schedule, line 5. Enter "1" if an apportionment schedule was not filed	6	
7	Multiply line 1 by line 5	7	
8	Multiply line 4 by line 6	8	
9	Tax rate applied to taxpayer (from Forms 355, 355C, 355S, 63FI, or P.S.1).	9	
10	Tax rate applied to related corporation (from Forms 355, 355C, 355S, 63FI, or P.S.1)	10	
11	Multiply line 7 by line 9	11	
12	Multiply line 8 by line 10	12	
13	Exception amount. If line 12 is greater than line 11, enter the amount from line 1. Otherwise, divide line 12 by line 9 and divide the result by line 5. Enter the result here and in Total Exceptions, line 2	13	

Exception 3

Partial exception for intangible expense or cost paid, accrued, or incurred to a related individual that is filing in Massachusetts.

Complete this section only if the intangible expense or cost is or will be reported as income by the related individual. Do not complete this section if you have claimed Exception 1 as to the same intangible cost or expense add back.

1	Amount of deductible intangible expense or cost claimed by taxpayer.	1	
2	Amount of the intangible income reported by the related individual	2	
3	Net income of related individual	3	
4	Enter the smaller of lines 2 or 3	4	
5	Taxpayer's apportionment percentage from the apportionment schedule, line 5. Enter "1" if an apportionment schedule was not filed	5	
6	Multiply line 1 by line 5	6	
7	Tax rate applied to taxpayer (from Forms 355, 355C, 355S, 63FI, or P.S.1).	7	
8	Tax rate applied to related individual	8	
9	Multiply line 6 by line 7	9	
10	Multiply line 4 by line 8.	10	
11	Exception amount. If line 10 is greater than line 9, enter the amount from line 1. Otherwise, divide the amount in line 10 by line 7 and divide the result by line 5. Enter result here and in Total Exceptions, line 3	11	

Part 2

Exception 4

Statement in support of add back exception claim.

The taxpayer must enclose with this schedule a statement referencing the amount of the claimed add back exception and information sufficient to support the claim. The statement must refer to and specifically identify all relevant documentation. This documentation must be retained by the taxpayer and be made available to the Commissioner upon request.

Check the basis for this claim:

- ☐ Conduit royalty payment
- ☐ Double taxation
- ☐ Business purpose/economic substance
- ☐ Section 31K foreign treaty exception

Total Exceptions

1	Enter amount from Exception 1, line 7	1	
2	Enter amount from Exception 2, line 13.	2	
3	Enter amount from Exception 3, line 11	3	
4	Enter amount from Exception 4	4	
5	Total add back exception. Add lines 1 through 4. Enter here and on appropriate corporate return	5	



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SEE INSTRUCTIONS.**Schedule SK-1 Shareholder's Massachusetts Information****2004**

NAME OF SHAREHOLDER

ADDRESS

CITY/TOWN/POST OFFICE

TAXPAYER IDENTIFICATION NUMBER

STATE ZIP + 4

NAME OF S CORPORATION

ADDRESS

CITY/TOWN/POST OFFICE

FEDERAL IDENTIFICATION NUMBER (FID)

STATE ZIP + 4

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	<input checked="" type="checkbox"/>																	
2	Separately stated deductions	2																		
3	Add lines 1 and 2	3	<input checked="" type="checkbox"/>																	
4	Credits available																			
	a. Taxes paid to another jurisdiction (residents only)	4a																		
	b. Lead paint credit	4b																		
	c. Economic opportunity area credit	4c																		
	d. Full employment credit	4d																		
	e. Brownfields credit	4e																		
	f. Low-income housing credit	4f																		
	g. Total credits	4g																		
5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	<input checked="" type="checkbox"/>																	
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	<input checked="" type="checkbox"/>																	
7	Interest from U.S. obligations (from Schedule S, line 29)	7																		
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8																		
9	Other interest and dividend income (from Schedule S, line 31)	9																		
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10																		
11	Royalty income (from Schedule S, line 33)	11																		
12	Other income (from Schedule S, line 34)	12																		
13	Short term capital gains (from Schedule S, line 35)	13																		
14	Short term capital losses (from Schedule S, line 36)	14	<input checked="" type="checkbox"/>																	
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15																		
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	<input checked="" type="checkbox"/>																	
17	Long term capital gain or loss (from Schedule S, line 39)	17	<input checked="" type="checkbox"/>																	

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21 Differences and adjustments (from Schedule S, line 43) 21

Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b

- | | | |
|-----------|--|-----------|
| 18 | Net gain or loss under Section 1231 (from Schedule S, line 40) | 18 |
| 19 | Other long-term gains and losses (from Schedule S, line 41) | 19 |
| 20 | Long-term gains on collectibles (from Schedule S, line 42) | |
| 21 | Differences and adjustments (from Schedule S, line 43) | 21 |

Shareholder's Basis Information

- | | | |
|-----------|---|------------|
| 22 | a. Enter the date of the federal basis. It must be 12-31-1985 or later | 22a |
| | b. Number of shares owned | 22b |
| | c. Dollar value of basis as of the date in line 22a | 22c |

- | | | |
|-----------|--|-----|
| 23 | Massachusetts basis at the beginning of the tax year | |
| | a. Stock | 23a |
| | b. Indebtedness | 23b |

- | | | |
|-----------|----------------------------------|-----|
| 24 | Net Massachusetts adjustments | |
| | a. Stock | 24a |
| | b. Indebtedness | 24b |

- | | | |
|-----------|-------------------------|-----|
| 25 | Net federal adjustments | |
| | a. Stock | 25a |
| | b. Indebtedness | 25b |

- | | | |
|-----------|--|-----|
| 26 | Massachusetts basis at end of tax year | |
| | a. Stock (add lines 23a and 24a) | 26a |
| | b. Indebtedness (add lines 23b and 24b) | 26b |

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b



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NAME OF SHAREHOLDER

ADDRESS

CITY/TOWN/POST OFFICE

TAXPAYER IDENTIFICATION NUMBER

STATE ZIP + 4

NAME OF S CORPORATION

ADDRESS

CITY/TOWN/POST OFFICE

FEDERAL IDENTIFICATION NUMBER (FID)

STATE ZIP + 4

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	<input checked="" type="checkbox"/>																	
2	Separately stated deductions	2																		
3	Add lines 1 and 2	3	<input checked="" type="checkbox"/>																	
4	Credits available																			
	a. Taxes paid to another jurisdiction (residents only)	4a																		
	b. Lead paint credit	4b																		
	c. Economic opportunity area credit	4c																		
	d. Full employment credit	4d																		
	e. Brownfields credit	4e																		
	f. Low-income housing credit	4f																		
	g. Total credits	4g																		
5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	<input checked="" type="checkbox"/>																	
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	<input checked="" type="checkbox"/>																	
7	Interest from U.S. obligations (from Schedule S, line 29)	7																		
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8																		
9	Other interest and dividend income (from Schedule S, line 31)	9																		
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10																		
11	Royalty income (from Schedule S, line 33)	11																		
12	Other income (from Schedule S, line 34)	12																		
13	Short term capital gains (from Schedule S, line 35)	13																		
14	Short term capital losses (from Schedule S, line 36)	14	<input checked="" type="checkbox"/>																	
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15																		
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	<input checked="" type="checkbox"/>																	
17	Long term capital gain or loss (from Schedule S, line 39)	17	<input checked="" type="checkbox"/>																	

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b



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NAME OF SHAREHOLDER

ADDRESS

CITY/TOWN/POST OFFICE

TAXPAYER IDENTIFICATION NUMBER

STATE ZIP + 4

NAME OF S CORPORATION

ADDRESS

CITY/TOWN/POST OFFICE

FEDERAL IDENTIFICATION NUMBER (FID)

STATE ZIP + 4

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	<input checked="" type="checkbox"/>						
2	Separately stated deductions	2							
3	Add lines 1 and 2	3	<input checked="" type="checkbox"/>						
4	Credits available								
	a. Taxes paid to another jurisdiction (residents only)	4a							
	b. Lead paint credit	4b							
	c. Economic opportunity area credit	4c							
	d. Full employment credit	4d							
	e. Brownfields credit	4e							
	f. Low-income housing credit	4f							
	g. Total credits	4g							
5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	<input checked="" type="checkbox"/>						
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	<input checked="" type="checkbox"/>						
7	Interest from U.S. obligations (from Schedule S, line 29)	7							
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8							
9	Other interest and dividend income (from Schedule S, line 31)	9							
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10							
11	Royalty income (from Schedule S, line 33)	11							
12	Other income (from Schedule S, line 34)	12							
13	Short term capital gains (from Schedule S, line 35)	13							
14	Short term capital losses (from Schedule S, line 36)	14	<input checked="" type="checkbox"/>						
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15							
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	<input checked="" type="checkbox"/>						
17	Long term capital gain or loss (from Schedule S, line 39)	17	<input checked="" type="checkbox"/>						

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.



Shareholder's Basis Information

22	a. Enter the date of the federal basis. It must be 12-31-1985 or later	22a	
	b. Number of shares owned	22b	
	c. Dollar value of basis as of the date in line 22a	22c	
23	Massachusetts basis at the beginning of the tax year		
	a. Stock	23a	
	b. Indebtedness	23b	
24	Net Massachusetts adjustments		
	a. Stock	24a	
	b. Indebtedness	24b	
25	Net federal adjustments		
	a. Stock	25a	
	b. Indebtedness	25b	
26	Massachusetts basis at end of tax year		
	a. Stock (add lines 23a and 24a)	26a	
	b. Indebtedness (add lines 23b and 24b)	26b	

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
-----------	--	----

Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b



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SEE INSTRUCTIONS.**Schedule SK-1 Shareholder's Massachusetts Information****2004**

NAME OF SHAREHOLDER

ADDRESS

CITY/TOWN/POST OFFICE

TAXPAYER IDENTIFICATION NUMBER

STATE ZIP + 4

NAME OF S CORPORATION

ADDRESS

CITY/TOWN/POST OFFICE

FEDERAL IDENTIFICATION NUMBER (FID)

STATE ZIP + 4

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	<input checked="" type="checkbox"/>						
2	Separately stated deductions	2							
3	Add lines 1 and 2	3	<input checked="" type="checkbox"/>						
4	Credits available								
	a. Taxes paid to another jurisdiction (residents only)	4a							
	b. Lead paint credit	4b							
	c. Economic opportunity area credit	4c							
	d. Full employment credit	4d							
	e. Brownfields credit	4e							
	f. Low-income housing credit	4f							
	g. Total credits	4g							
5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	<input checked="" type="checkbox"/>						
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	<input checked="" type="checkbox"/>						
7	Interest from U.S. obligations (from Schedule S, line 29)	7							
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8							
9	Other interest and dividend income (from Schedule S, line 31)	9							
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10							
11	Royalty income (from Schedule S, line 33)	11							
12	Other income (from Schedule S, line 34)	12							
13	Short term capital gains (from Schedule S, line 35)	13							
14	Short term capital losses (from Schedule S, line 36)	14	<input checked="" type="checkbox"/>						
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15							
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	<input checked="" type="checkbox"/>						
17	Long term capital gain or loss (from Schedule S, line 39)	17	<input checked="" type="checkbox"/>						

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b



PRINT IN BLACK INK

FOR PRIVACY ACT NOTICE,
SEE INSTRUCTIONS.**Schedule SK-1 Shareholder's Massachusetts Information****2004**

NAME OF SHAREHOLDER

ADDRESS

CITY/TOWN/POST OFFICE

TAXPAYER IDENTIFICATION NUMBER

STATE ZIP + 4

NAME OF S CORPORATION

ADDRESS

CITY/TOWN/POST OFFICE

FEDERAL IDENTIFICATION NUMBER (FID)

STATE ZIP + 4

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	<input checked="" type="checkbox"/>																	
2	Separately stated deductions	2																		
3	Add lines 1 and 2	3	<input checked="" type="checkbox"/>																	
4	Credits available																			
	a. Taxes paid to another jurisdiction (residents only)	4a																		
	b. Lead paint credit	4b																		
	c. Economic opportunity area credit	4c																		
	d. Full employment credit	4d																		
	e. Brownfields credit	4e																		
	f. Low-income housing credit	4f																		
	g. Total credits	4g																		
5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	<input checked="" type="checkbox"/>																	
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	<input checked="" type="checkbox"/>																	
7	Interest from U.S. obligations (from Schedule S, line 29)	7																		
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8																		
9	Other interest and dividend income (from Schedule S, line 31)	9																		
10	Non-Massachusetts state and municipal bond interest (from Schedule S, line 32)	10																		
11	Royalty income (from Schedule S, line 33)	11																		
12	Other income (from Schedule S, line 34)	12																		
13	Short term capital gains (from Schedule S, line 35)	13																		
14	Short term capital losses (from Schedule S, line 36)	14	<input checked="" type="checkbox"/>																	
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15																		
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	<input checked="" type="checkbox"/>																	
17	Long term capital gain or loss (from Schedule S, line 39)	17	<input checked="" type="checkbox"/>																	

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

b. Number of shares owned 22b

c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b



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SEE INSTRUCTIONS.**Schedule SK-1 Shareholder's Massachusetts Information****2004**

NAME OF SHAREHOLDER

ADDRESS

CITY/TOWN/POST OFFICE

TAXPAYER IDENTIFICATION NUMBER

STATE ZIP + 4

NAME OF S CORPORATION

ADDRESS

CITY/TOWN/POST OFFICE

FEDERAL IDENTIFICATION NUMBER (FID)

STATE ZIP + 4

Shareholder's Distributive Share

▼ If showing a loss, mark an X in box at left

1	Massachusetts ordinary income or loss (from Schedule S, line 25)	1	<input checked="" type="checkbox"/>																	
2	Separately stated deductions	2																		
3	Add lines 1 and 2	3	<input checked="" type="checkbox"/>																	
4	Credits available																			
	a. Taxes paid to another jurisdiction (residents only)	4a																		
	b. Lead paint credit	4b																		
	c. Economic opportunity area credit	4c																		
	d. Full employment credit	4d																		
	e. Brownfields credit	4e																		
	f. Low-income housing credit	4f																		
	g. Total credits	4g																		
5	Net income or loss from rental real estate activity(ies) (from Schedule S, line 26)	5	<input checked="" type="checkbox"/>																	
6	Net income or loss from other rental activity(ies) (from Schedule S, line 27)	6	<input checked="" type="checkbox"/>																	
7	Interest from U.S. obligations (from Schedule S, line 29)	7																		
8	Interest (5.3%) from Massachusetts banks (from Schedule S, line 30)	8																		
9	Other interest and dividend income (from Schedule S, line 31)	9																		
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11	Royalty income (from Schedule S, line 33)	11																		
12	Other income (from Schedule S, line 34)	12																		
13	Short term capital gains (from Schedule S, line 35)	13																		
14	Short term capital losses (from Schedule S, line 36)	14	<input checked="" type="checkbox"/>																	
15	Gain on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 37)	15																		
16	Loss on the sale, exchange, or involuntary conversion of property used in a trade or business held for one year or less (from Schedule S, line 38)	16	<input checked="" type="checkbox"/>																	
17	Long term capital gain or loss (from Schedule S, line 39)	17	<input checked="" type="checkbox"/>																	

BE SURE TO CONTINUE SCHEDULE SK-1 ON OTHER SIDE.

20

18 Net gain or loss under Section 1231 (from Schedule S, line 40) 18

19 Other long-term gains and losses (from Schedule S, line 41) 19

20 Long-term gains on collectibles (from Schedule S, line 42)

21	Differences and adjustments (from Schedule S, line 43)	21
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Shareholder's Basis Information

22 a. Enter the date of the federal basis. It must be 12-31-1985 or later 22a

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c. Dollar value of basis as of the date in line 22a 22c

23 Massachusetts basis at the beginning of the tax year

a. Stock 23a

b. Indebtedness 23b

24 Net Massachusetts adjustments

a. Stock 24a

b. Indebtedness 24b

25 Net federal adjustments

a. Stock 25a

b. Indebtedness 25b

26 Massachusetts basis at end of tax year

a. Stock (add lines 23a and 24a) 26a

b. Indebtedness (add lines 23b and 24b) 26b



Form M-2220

Underpayment of Massachusetts Estimated Tax by Corporations

2004

Massachusetts
Department of
Revenue

Enclose this form with your return. Please print in ink or type.

Name of corporation

Federal Identification number

Check type of return to be filed: ☐ 355 ☐ 355C ☐ 355S ☐ Other**Figuring your underpayment.** See instructions.

1	2004 tax (from line 18, Forms 355 or 355C; line 21, Form 355S; or line 6, Form SBC). Commercial banks, insurance companies, and public service companies enter total excise due from return	
2	Enter 90% of line 1	
3	Enter 90% of 2004 tax using 2003 income apportionment percentage	
4	Enter 2003 tax (from line 18, 2003 Forms 355 or 355C; line 20, 2003 Form 355S; or line 6, 2003 Form SBC). Large corporations or short taxable year corporations, see instructions	
5	Enter line 2, 3 or 4, whichever is smallest	
6	Enter in col's. a through d (respectively) the installment dates of the 15th day of the 3rd, 6th, 9th and 12th months of your taxable year	
7	Enter in col. a line 5 \times 40% Enter in col. b line 5 \times 25% Enter in col. c line 5 \times 25% Enter in col. d line 5 \times 10%. If you are a new corporation, <input type="checkbox"/> check and see instructions.	
8	Amount paid or credited for each period	
9	Overpayment of previous installment	
10	Total. Add lines 8 and 9.	
11	Overpayment. Subtract line 7 from line 10.	
12	Underpayment. Subtract line 10 from line 7.	

Complete reverse to calculate underpayment penalty.**General Information**

Who should use this form. Corporations taxed under Ch. 63 of the Massachusetts General Laws should use Form M-2220 to determine whether they paid the correct amount of estimated tax by the proper due date. If not, a penalty may be imposed on the underpayment amount.

Short year. Corporations are liable for estimated payments even if there was no return filed for 2003 or if a return filed for 2003 was for less than 12 months. Corporations meeting either of these conditions should enter the smaller of lines 2 or 3 in line 5. See Massachusetts Regulation 830 CMR 63B.2.2 for additional information.

Large corporation. Any corporation having \$1 million or more of federal taxable income in any of its three preceding taxable years (IRC Sec. 6655(g)) may **only** use its prior year tax liability to calculate its **first** quarterly estimated payment. Any reduction in the first installment payment must be added to the second installment payment.

Note: New corporations in their first full taxable year with less than 10 employees have lower payment percentages — 30-25-25-20%; 55-25-20%; and 80-20%. New corporations should check the box in line 7 and use these percentage amounts to complete line 7.

Commercial banks, insurance companies and public service companies. Enter in line 1 the **Total Excise Due** amount from the return being filed. Also, if an underpayment penalty is due, show this amount in the bottom margin of page 1 of your respective return as "underpayment penalty" and increase your total payment due or decrease excess payment to be refunded.

Line Instructions

Lines 7 through 12. To determine the underpayment amount, complete lines 7 through 12 for each appropriate column. If line 11 shows an overpayment, that overpayment may first be used as a payment of any existing underpayment amount. Overpayments used as payments of prior underpayment amounts **do not** decrease the actual underpayment amount but serve to reduce instead the **period** of underpayment subject to penalty. If there are no existing underpayment amounts, the overpayment is applied as a credit against the next installment. If more than one payment is made for a given installment, attach separate computations for each payment.

Figuring your underpayment penalty

Enter same installment dates used in line 6 ►

	a	b	c	d
13 Amount of underpayment from line 12				
14 Enter the date of payment or the 15th day of the 3rd month after the close of the taxable year, whichever is earlier				
15 Number of days from due date of installment to the date shown in line 14				
16 Number of days in line 15 after 3/15/04 and before 4/1/04				
17 Number of days in line 15 after 3/31/04 and before 7/1/04				
18 Number of days in line 15 after 6/30/04 and before 10/1/04				
19 Number of days in line 15 after 9/30/04 and before 1/1/05				
20 Number of days in line 15 after 12/31/04 and before 4/1/05				
21 Number of days in line 15 after 3/31/05 and before 7/1/05				
22 Number of days in line 15 after 6/30/05 and before 10/1/05				
23 Number of days in line 15 after 9/30/05 and before 1/1/06				
24 Number of days in line 15 after 12/31/05 and before 2/16/06				
25 Underpayment in line 13 \times (number of days in line 16 \div 365) \times 5%				
26 Underpayment in line 13 \times (number of days in line 17 \div 365) \times 6%				
27 Underpayment in line 13 \times (number of days in line 18 \div 365) \times 5%				
28 Underpayment in line 13 \times (number of days in line 19 \div 365) \times 6%				
29 Underpayment in line 13 \times (number of days in line 20 \div 365) \times *%				
30 Underpayment in line 13 \times (number of days in line 21 \div 365) \times *%				
31 Underpayment in line 13 \times (number of days in line 22 \div 365) \times *%				
32 Underpayment in line 13 \times (number of days in line 23 \div 365) \times *%				
33 Underpayment in line 13 \times (number of days in line 24 \div 365) \times *%				
34 Add lines 25 through 33				
35 Total of amounts shown in line 34. Enter this amount in line 28 of the excise calculation of Form 355, line 29 of Form 355C; line 30 of Form 355S; or line 14 of Form SBC ►				

*Rate to be determined.